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...bya Will Reduce ...ission in Athens, ...reece Announces

...Granville Watts
Reuters

...ENS — Greece said Tues... Libya was reducing its ...ie mission in Athens by 15 ...sons.

"Libyan embassy and not ...k Foreign Ministry," said ...rnment spokesman, Milti... ...aionnou, "will be making ...ouncement in which it will ... the reasons why the Liby... this decision."

...outy spokesman for the ...overnment, Antonis Kour... ...d earlier Tuesday that ...had decided to cut back on ...s than 50 Libyan diploma... ...ns and that the Foreign ...y would be issuing a state...

... was no official explana... the discrepancies in the two ...nts by the Greek govern...

...s has up to now resisted a ...n the European Communi... ...duce the size of Libyan missions in response to alleged Libyan support of terrorism.

Mr. Papaioannou said that there had been contacts between the Greek government and the Libyan mission in Athens on the issue of the diplomats. He refused to elaborate.

The U.S. State Department reacted angrily in April when the Greek government said there was no direct evidence of Libyan involvement in terrorism.

Greece said at the time it would not immediately implement an EC decision to reduce Libyan missions and curb the activities of Libyan diplomats.

Last month, the United States expressed "regret" after Prime Minister Andreas Papandreou said that acts of violence by Palestinians as part of a liberation struggle did not constitute terrorism.

The U.S. State Department spokesman, Bernard Kalb, called the remarks "baseless, unhelpful and indeed harmful to Western efforts to achieve an effective response to international terrorism."

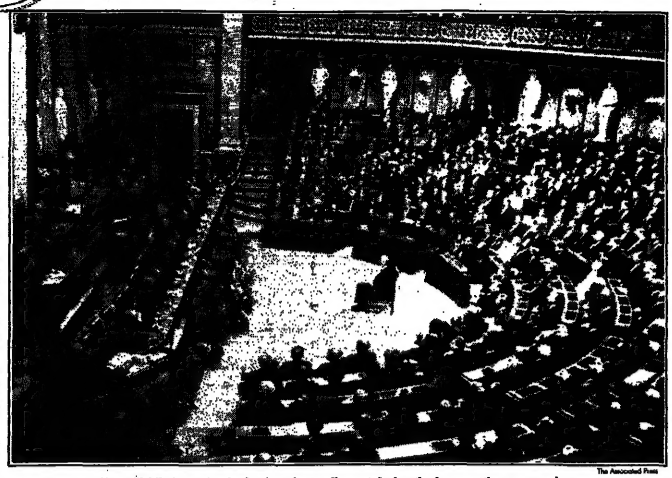
The Athens government was alone in April in its decision not to act on the EC agreement to reduce the number of Libyan diplomats in member nations. The government has been reluctant to take action mainly because of Greece's close ties with Arab nations.

The diplomats pointed out that Greece's image had suffered in the West as a consequence. Security fears about the Athens airport and the region have resulted in a drop of about 70 percent in the number of American tourists visiting Greece so far this year, travel agency officials have said.

Only five Libyans are officially accredited to the Greek government, but diplomats said that more than 50 persons at the Libyan People's Bureau, or embassy, had diplomatic immunity.

The Athens newspaper Eleftherotypia reported that some Libyans had already left and that others were leaving Tuesday, but this could not be confirmed.

An official at the Libyan mission declined to comment.



Kurt Waldheim sitting in the Austrian parliament during the inauguration ceremonies.
The Associated Press

EC Ministers Approve Budget With Increases

By Steven J. Dryden
International Herald Tribune

BRUSSELS — European Community treasury ministers approved Tuesday a new 1986 budget, opening the possibility of a settlement in a confrontation with the European Parliament over spending levels.

The ministers met through most of Monday night before agreeing on a budget of 35 billion European currency units ($34.3 billion), instead of an earlier budget proposal of 32.7 billion ECU.

A new budget was made necessary last week after the European Court of Justice struck down a version of the budget passed by the Parliament, which called for 1986 spending to be set at 33.3 billion ECU.

The court ruling was seen as an important victory for the 12 EC member nations in their struggle with the Parliament over spending power. The nations argued that the Parliament had exceeded its legal rights by approving a budget without their agreement.

But approval of the new budget by the Parliament is still necessary to meet additional spending commitments this year connected to the membership of Spain and Portugal, which joined the EC in January. If there is no agreement this week, the EC could be forced to revert to spending levels based on the 1985 budget.

The budget approved Tuesday met some but not all of the Parliament's demands for increased social and regional spending. But EC officials said the Parliament would be under pressure to approve the budget Thursday in a final vote or face complaints that it had blocked funds for the new members.

The size of the budget approved Tuesday by the treasury ministers reflected the need for increased spending brought on by the fall of the U.S. dollar on foreign-exchange markets, and overdue payments to regional and social programs.

The steady drop in the exchange rate has sharply increased the subsidies the EC must pay to support its farm exports on world markets, where sales are denominated in dollars.

But despite the addition to the budget of about 2 billion ECU for agricultural programs, the community will be forced to defer about 300 million ECU in other farm spending commitments to next year, an EC spokesman said.

In December, the Parliament rejected the budget put forward by the Council of Ministers on the basis that it did not provide enough money to meet spending commitments.

In the meantime, the ministers were forced by rising costs to consider a supplementary budget that exceeded the Parliament's original proposal.

■ **Support Expected**

European Parliament sources said the assembly's Budget Committee was likely to support the expanded budget approved by the treasury ministers, Reuters reported from Strasbourg, France.

"It looks to me like the Parliament is moving reluctantly toward accepting the package," said Terry Pitt, a British Labor Party member of the European Parliament who is a member of the Budget Committee.

The parliamentary sources said that although members were unhappy at the failure of their attempts to expand their limited powers, they were eager to avoid a crisis for which they would be blamed.

The sources said members of Parliament also felt vindicated by the agreement of ministers to increase budget allocations this year, effectively accepting the assembly's contention that the budget it had been asked to approve in December was inadequate.

The new budget agreed upon in Brussels also left the Parliament a margin of about 50 million ECU to spend on other projects, while staying within the legal ceiling on EC spending this year.

...lestinians ...ail Jordan ...er Fatah

...William Claiborne
Washington Post Service

...ISALEM — Palestinian ...ists in the Israeli-occupied ...nk condemned on Tuesday ...sion by King Hussein to ...e 25 offices in Jordan of ...Arafat's el-Fatah wing of ...stine Liberation Organiza...

...LO Arabs contended that ...Jordan and Syria had em...ed in a conspiracy — support...the United States — to un...e the Palestine Liberation ...ation and remove it as a ...l peace partner in a com...ive Middle East settlement. ...Bank Arabs threatened to ...00 Jordanian passports to ...trate anger over Hussein's ... on Monday to close the ...nd to impose severe restric... movements of top officials ...h, the mainstream group ...he PLO.

...l leaders welcomed the an...ment, saying it would en...chances for Middle East

... Minister Shimon Peres ...saw the king's action as "an ...nt development" because ...has been the primary obsta...y kind of opening toward ...tiation."

...ded: "I'm pleased that Jor... reached its conclusions by ...nd in its own way, and I ...hat it will provide some in... in the whole area."

...ring to a Jordanian deci... expel Mr. Arafat's military ...nder, Khalil al-Wazir, who ...e guerrilla name Abu Jihad, ...res said. "The further away ...e he is the better."

...ign Minister Yitzhak Sha...d: "Anything that weakens ...rorist organization is good ...Middle East."

...l Wahab Darousha, an Is...rab who is a member of ...parliament, the Knesset, ...an interview: "The two gov...nts are dreaming up a ... to abolish any PLO influ... the West Bank. They want ...k the PLO, but it will not

... Darousha, echoing a view ...ed by many West Bank Pal...ns, accused Hussein of en... in self-serving duplicity by ... Syrian attempts to weaken ...O.

...ssein needs one of the cards ...ter the Syrian card or the ...ard," he said. "The PLO card ... work so now he is trying to ...e Syrian hand. It is a strange

...ee JORDAN, Page 6

Survivors of the Holocaust demonstrated with other Israelis on Tuesday outside the Austrian Embassy in Tel Aviv.
Nikki Levene/The Associated Press

Waldheim Is Inaugurated in Austria; Intellectuals Hold a Street Protest

By James M. Markham
New York Times Service

VIENNA — Kurt Waldheim was inaugurated Tuesday for a six-year term as president of Austria while disaffected artists and intellectuals staged street protests against his election to the largely ceremonial post.

Speaking to a solemn joint session of the parliament after taking the presidential oath, the former secretary-general of the United Nations avoided mention of the international controversy over his war record that has dominated Austrian public life for four months.

But Mr. Waldheim, 67, recalled "the horror of the Holocaust" and vowed to combat anti-Semitism in Austria.

"It must be our daily renewed resolve that every one of our citizens — whatever his race, belief or conviction — should be considered and be treated as a brother or sister," he said.

Mr. Waldheim was applauded by deputies from the rightist People's Party, which supported his successful presidential bid. But parliamentarians from the ruling Socialist Party responded with restraint. A scattering of deputies wore black neckties in protest at his election.

The American ambassador, Ronald S. Lauder, was out of the country and was represented by his chargé d'affaires, Felix Bloch.

Israel withdrew its ambassador from Vienna after Mr. Waldheim was elected to the presidency in a runoff ballot on June 8 with 53.9 percent of 4.7 million votes.

After the ceremony in the parliament, Mr. Waldheim took formal command of the Austrian armed forces before an honor guard assembled under the victory arches in Heroes Square. He laid a wreath at a monument to "the victims in the struggle for Austria's freedom" from Nazi Germany.

Walking past a cheering crowd to his offices in the Hofburg, a sprawling complex built for the Hapsburg emperors, Mr. Waldheim skirted a handful of protesters who wore striped concentration camp uniforms and who lifted a banner reading, "No to War Criminal President." A policeman confiscated the banner and, folding it under his arms, told a reporter that it was "forbidden."

The leader of the protest was

See WALDHEIM, Page 6

Manila Seeks to Explain the Failed Revolt

By Michael Richardson
International Herald Tribune

MANILA — The staff at the elegant Manila Hotel began Tuesday to clear up the mess left behind after the last of the civilian and military supporters of an "anti-Communist constitutional" government ended their occupation of the building.

Elsewhere in the Philippines and abroad, analysts were assessing the damage done by the attempted coup Sunday against the government of President Corazon C. Aquino as it tries to revive an economy burdened with a $26-billion foreign debt, negotiate a settlement with Communist insurgents, restrain fighting between factions within the administration and keep the armed forces on its side.

Government officials were irritated that the actions of Arturo M. Tolentino and his supporters had captured television time and newspaper headlines here and overseas.

Mr. Tolentino was sworn in Sunday by a retired Supreme Court justice as vice president and acting president pending the return of Ferdinand E. Marcos from exile in Hawaii. Joined by an assorted following of Marcos loyalists, anti-Communists and disgruntled former employees of the old regime, Mr. Tolentino proclaimed a rival government based on the 1973 constitution that the Aquino government has abolished.

In a statement on Monday, Mrs. Aquino pointed to the most obvious weaknesses of Mr. Tolentino's attempt to claim political legitimacy: It failed to attract substantial popular support or military backing. Most Filipinos went on with their normal daily routine as though nothing untoward was happening.

"The people have made the wisest response to the situation: to ignore what is patently a desperate attempt to attract attention and sympathy to a forlorn cause," Mrs. Aquino said.

Mr. Tolentino, a former foreign minister who was Mr. Marcos's vice-presidential running mate in the disputed presidential election in February, had, at most, 400 troops protecting his self-proclaimed seat of government, a tiny fraction of the 230,000-strong armed forces.

The Tolentino group managed to gather only about 5,000 civilian supporters out of an estimated population of eight million people in metropolitan Manila.

Commanders of a 210-man unit that left the Manila Hotel on Monday to retake government forces said they were misled into backing the Tolentino revolt after hearing that Defense Minister Juan Ponce Enrile and General Fidel V. Ramos, the armed forces chief of staff, had deserted the Aquino government because of its imminent takeover by Communists.

The small group of generals and senior officers supporting Mr. To-

See MANILA, Page 6

Washington, rebuking Marcos after the coup attempt, warns him on his guest status. Page 6.

Juan Ponce Enrile, the Philippine defense minister, right, embracing Brigadier General Jaime Echeverria on Tuesday. The general surrendered after the coup attempt failed.
Ariel Arnaiz/The Associated Press

Admiral Rickover Dies; Led Navigation to Nuclear Era

The Associated Press

WASHINGTON — Hyman G. Rickover, 86, who became one of the pre-eminent military leaders of his time in a U.S. Navy career that spanned six decades, died Tuesday.

The admiral, who was responsible for pushing the navy into the nuclear era, died at his home in a Washington suburb, apparently of natural causes. He had been in poor health since suffering a stroke in July 1985.

The navy, in a brief statement, said the admiral "died this morning at approximately 8:45 A.M. at his home in Arlington, Virginia."

A Career of Controversy

By John W. Finney
New York Times Service

Hyman George Rickover cared little for protocol, tradition or what other people thought of him so long as he could do his job. He was cordially detested by his enemies. Even friends noted his abrasive personality.

In 63 years in the navy, Admiral Rickover generated controversy all around him; he attacked navy bureaucracy, ignored red tape, lacerated those he considered stupid, bullied subordinates and assailed the U.S. educational system.

And he achieved, in the nuclear-powered submarine, what a former secretary of the navy, Dan Kimball, called "the most important piece of development work in the history of the navy."

Admiral Rickover was not considered "navy" by other admirals. Despite his achievement, despite the support of people in high civilian places, the navy nearly succeeded in forcing his retirement as a captain by passing him over for promotion to rear admiral.

Even after he was promoted he was officially snubbed on a number of occasions. He always insisted that his difficulties with the navy arose from fighting "stuffed shirts" who were against new ideas.

Admiral Rickover was an electrical engineer, not a nuclear scientist. But he was responsible for the design and production of the world's first nuclear-powered engines and the development of the Nautilus, the world's first nuclear-propelled submarine.

Hyman G. Rickover
AP

He was also responsible for the first large-scale, all-civilian atomic power plant at Shippingport, Pennsylvania.

It was in the years just after World War II that Admiral Rickover, then a captain with a master's degree in electrical engineering, became convinced that the navy had to have nuclear-powered ships and had to begin with submarines.

He began formulating these ideas after he was assigned in 1946 to study atomic energy in Oak Ridge, Tennessee, the site of World War II work on the atomic bomb.

The navy was not enthusiastic about the captain's ideas on atomic submarines. Captain Rickover was called back to Washington and given an atomic energy advisory post. His office was a former restroom.

He bypassed channels and went

See RICKOVER, Page 6

Ruling Puts U.S. Budget Effort in Doubt

By Karen Tumulty
Los Angeles Times Service

WASHINGTON — The U.S. Supreme Court's decision Monday to discard a key provision of the Gramm-Rudman-Hollings law, coupled with signs that public concern over the deficit is evaporating, is likely to make it more difficult for a reluctant Congress to balance the federal budget.

"Everybody was kind of sitting back in the false comfort that Gramm-Rudman would take care of everything," said Representative Leon E. Panetta, a California Democrat who was instrumental in the law's enactment.

Now, he said, Congress will have to make the difficult decisions for itself, in a political showdown next month.

The Senate Budget Committee chairman, Pete V. Domenici, Republican of New Mexico, said the first test of congressional commitment to the law will be ratification of relatively modest cuts that were imposed last March and invalidated by the Supreme Court decision. "I'm not terribly upbeat," he said. "But we'll try."

The Supreme Court struck down the provision of the law that imposed automatic spending cuts in a wide range of federal programs if Congress fell short of its deficit-reduction targets, as many believed it would.

However, the court let stand a fallback procedure that would force a congressional vote on whether to make the same reductions that would have been automatic under the original law. In essence, that will force lawmakers to make a choice between making unpopular spending cuts and falling to live up to their promises to cut the deficit.

"In the final analysis," said the Senate majority leader, Bob Dole, Republican of Kansas, "the only way we are going to reduce the federal deficit is for Congress to face up to it."

The Supreme Court ruled that the enforcement provision of the Gramm-Rudman-Hollings Act violated the constitutionally required separation of powers between the executive and legislative branches.

NEWS ANALYSIS

The court said the law improperly empowered an officer of Congress, the comptroller general, to perform an executive function by ordering specific levels of spending cuts to meet the annual deficit targets.

Although the comptroller general is appointed by the president for a 15-year term, the court said, he is "controlled by Congress," and can be removed by Congress, so he is ultimately "subservient to Congress."

Congress passed a budget last week that would bring the deficit for fiscal 1987, which begins Oct. 1, to $143 billion, which is $1 billion lower than the Gramm-Rudman law's target for that year.

However, a slowing economy could easily throw that projection off track, by up to $15 billion, according to some projections. And there is no guarantee that Congress will heed the budget, which lacks the force of law, as it passes actual spending and tax legislation.

Despite the worsening deficit outlook, Mr. Dole said, polls indicate that "the deficit has disappeared in the public view."

Of the voters, he added: "I think they must feel either that we addressed it, or that we are hopeless and we are not going to address it. It's probably the latter."

Coming at a time when the economy's vigor seems unaffected by deficits running at roughly $200 billion a year, such voter apathy could remove any remaining incentive for Congress to embark on the law's five-year path toward a balanced budget in 1991.

Indeed, a new round of political struggles over how — and even whether — to cut spending broke out within hours of the announcement of the court decision. The National Treasury Employees Union announced a lawsuit demanding cost-of-living increases retroactive to Jan. 1 for federal retirees who were denied their regular January increase.

The loss of the cost-of-living increase, as a saving to the govern-

See BUDGET, Page 3

Howe Reschedules Visit to Pretoria

The Associated Press

STRASBOURG, France — Sir Geoffrey Howe, the British foreign secretary, said Tuesday that he would visit South Africa later this month, after a trip to black-ruled southern African states on a European Community peace mission.

Sir Geoffrey spoke in the European Parliament before leaving for Zambia, Zimbabwe "and perhaps some other countries," as he put it.

On Monday, he dropped plans to visit South Africa during his trip this week. No reason was given, but South African radio indicated that Sir Geoffrey might face a hostile reception if he visited Pretoria now.

The foreign secretary rejected a suggestion Tuesday from a member of the European Parliament that his failure to secure a meeting with

South African violence may indicate a shift in the resistance movement's tactics. Page 2.

President Pieter W. Botha was a "humiliating rebuff," Sir Geoffrey said he recognized Pretoria's difficulties in arranging a meeting.

At their summit meeting June 27, leaders of the 12 European Community countries refused to impose immediate economic sanctions on South Africa. They called for the release of Nelson Mandela, the imprisoned leader of the African National Congress, and pledged material support to the victims of apartheid.

The EC states agreed that within three months they would begin consultations with other industrial nations that could lead to the imposition of sanctions on South Africa.

After Sir Geoffrey's statement, the Socialist group in the European Parliament, the assembly's largest, called on Britain to convene a meeting of the community's foreign ministers to impose sanctions.

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Nikolai F. Chervov, a Soviet general, said Moscow made a "very specific compromise" on arms control. Page 2.
Camera Press

Soviet General Cites a 'Specific Compromise' to U.S. on Arms

By Karen DeYoung
Washington Post Service

LONDON — Moscow's recent arms proposals contain "a very specific compromise," providing for the United States to continue its research into space defense systems, according to a senior Soviet military officer.

Colonel General Nikolai F. Chervov urged on Monday that Western Europe consider the space defense proposal and other Soviet offers in taking sides on Moscow's weapons negotiations with Washington.

General Chervov, who heads a general staff department, said: "Europeans cannot stand on one side on these issues."

Britain in particular, the general said, "can exert more active influence in a positive way" over U.S. arms control negotiating positions.

His remarks came in a speech and a following question-and-answer session at the Royal Institute of International Affairs. The general's appearance was part of a five-day visit during which he met with British officials, held a news conference and appeared before a public session of the House of Commons Foreign Affairs Committee to explain Soviet arms control policy.

To British officials, General Chervov's trip, combined with other Soviet officials' visits here and elsewhere in Western Europe in recent months, is part of a new round of what some people call Moscow's "charm offensive."

The offensive began around the time of the meeting last November of President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader. It appeared to collapse shortly thereafter when U.S.-Soviet relations took a downturn.

Now, with a new portfolio of arms control proposals and after several recent U.S. moves that disappointed some people in Western Europe, Moscow seems to feel the time is ripe for a new round of appeals.

According to British and U.S. officials, Moscow believes Western Europe is open to influence.

This, the officials say, is because of European concern over President Reagan's stated intention to end compliance with the SALT-2 arms treaty, Washington's refusal to negotiate any aspect of its Strategic Defense Initiative, and skeptical U.S. reaction to a range of Soviet proposals.

London and Washington feel that Moscow has once again overestimated the likelihood of a real division in the North Atlantic Treaty Organization on these issues. They noted that a number of points General Chervov raised in his speech Monday were misleading, including his reference to space defense.

"On 'star wars,'" the general said, referring to the program for a space missile defense system, "the Soviet Union has actually made a very specific compromise . . . limiting it to research work."

"The Americans say 'star wars' is only a research program," he said. "Of course, we don't agree. It is a military program, a program for creating weapons. We've tried to meet the Americans. We say, let's limit it to research in laboratories."

The United States contends that laboratory research on space defense is allowed under the 1972 anti-ballistic missile treaty, and that neither research nor testing — still rejected by the Soviet Union — requires Soviet agreement.

At the same time, the Soviet Union still has not moved on what the West considers a crucial East-West issue: setting a date for a summit meeting this year between Mr. Reagan and Mr. Gorbachev.

But officials noted that General Chervov's comments on space defense could be considered a small sign of progress, in that they made explicit what previously had been vague and inconclusive official Soviet references to Moscow's possible acceptance of SDI research as a negotiating position.

Several officials said they felt Soviet efforts to appear optimistic about the overall arms control process were, in the words of a Western diplomat, "not necessarily a discouraging development."

The current Soviet slogan, a British official said, is "We're the good guys."

On Monday, the Soviet foreign minister, Eduard A. Shevardnadze, is to come to London for a two-day visit, during which he will meet with the British foreign secretary, Sir Geoffrey Howe, and with Prime Minister Margaret Thatcher.

Other exchanges have been going on throughout Western Europe. President François Mitterrand of France is now in Moscow, returning a visit by Mr. Gorbachev.

Speaking at a news conference in Bonn on Monday, the chief Soviet arms negotiator in Geneva, Viktor P. Karpov, echoed General Chervov's assertion in London that Moscow had made compromises on the space defense issue, Reuters reported.

Mr. Karpov also said he believed that an East-West ban on chemical weapons could be agreed upon and signed this year.

WORLD BRIEFS

California Hit by Strong Earthquake

PALM SPRINGS, California (AP) — The strongest earthquake in Southern California in seven years shook a wide region Tuesday, cau rock slides, shattering windows and knocking out power to 10 customers.

The quake was felt from San Diego, 100 miles (about 160 kilome south of downtown Los Angeles, to the San Fernando Valley, 120 m north. Several minor injuries were reported.

It measured 6.0 on the open-ended Richter scale and was centered miles northwest of Palm Springs, according to the California Institute Technology in Pasadena.

NASA Establishes Office of Safety

CAPE CANAVERAL, Florida (UPI) — NASA, responding to a recommendation from the U.S. commission that investigated the ex sion of the space shuttle Challenger, established on Tuesday a new of of safety, reliability and quality assurance to provide independent o sight of key systems.

The NASA administrator, James C. Fletcher, said that George Rodney would head the office and would report directly to him. Rodney, an employee of the Martin-Marietta Orlando Aerospace c will join NASA in about a month, Mr. Fletcher said.

His title will be associate administrator, putting him on an equal fo with the head of NASA's shuttle, space station and scientific progra

Clash of Zulu Tribesmen Kills 31

JOHANNESBURG (AP) — Two factions of Zulu tribesmen bat with homemade guns, spears and clubs in the remote hills of Na province, killing at least 31 persons, the police said Tuesday.

The fighting, which occurred over the weekend, stemmed from pre tions-old animosities in the area, north of Durban, a police spokes said. Such battles have broken out periodically over the years and are considered part of the anti-apartheid violence that has occurred thr South Africa since September 1984, leaving about 2,000 people dead.

Meanwhile, the office of Bishop Desmond M. Tutu, the Angli archbishop-elect of Cape Town and anti-apartheid activist, said he wo meet July 21 with President Pieter W. Botha to discuss the nationwi state of emergency imposed June 12. Bishop Tutu met with Mr. Botha June 13 for the first time in six years.

Court Is Asked to Extradite Nimeiri

CAIRO (Reuters) — Sudanese lawyers went to court here Tuesday to demand the extradition of Gaafar Nimeiri, the deposed president of Sudan, who has been granted political asylum in Egypt. He is wanted in Khartoum to face charges of treason and corruption.

Gaafar Nimeiri

In its lawsuit, Sudan's lawyers association challenged the right of the Egyptian government to grant asylum to General Nimeiri, who was in Cairo on his way back from a visit to the United States when he was overthrown in April 1985.

Egypt has turned down repeated requests from Sudan for his extradition, arguing that its constitution barred handing over political refugees on demand. A Sudanese spokesman said last week that Sudanese and Egyptian leaders had agreed to deal with the Nimeiri issue in a nonprovocative way.

Israeli Concedes Guilt in Arab Death

JERUSALEM (Reuters) — The former head of Shin Bet, the Isra internal security service, told the Supreme Court on Tuesday night th in requesting a presidential pardon, he had in effect confessed to cha involving the beating deaths of two Palestinian hijackers.

"In my request for amnesty, I see a confession to the charges relate me," Avraham Shalom said in a sworn affidavit to the court. Mr. Shalo who resigned last month in exchange for presidential immunity fro prosecution, has been accused of ordering the killing of two Arabs seized an Israeli bus in 1984.

Prime Minister Shimon Peres said Tuesday that an investigation in political responsibility in the affair was unavoidable because the govern ment did not have the authority to stop it.

French Council Invalidates 2 Elections

PARIS (Reuters) — The Constitutional Council ruled Tuesday th results in two departments in the March 16 election were invalid, forcin elections that could threaten the thin majority of Prime Minister Jacque Chirac, a Gaullist.

The council annulled election results in the departments of Haute-Corse and Haute-Garonne, where 10 deputies were elected to the Nation al Assembly. The deputies are three members of the ruling coalition, tw independent rightists and five members of the opposition, including fou Socialists. No date has been announced for the new election.

Mr. Chirac's coalition of the Gaullist Rally for the Republic an center-right Union for French Democracy parties has governed since th elections with the support of a handful of independent rightists, giving an estimated majority of three in the 577-member assembly. Doubt about the allegiance of defectors from the extreme-right National Fron make it hard to give an exact figure.

For the Record

The General Synod of the Church of England, the worldwide Anglica Communion's governing body, voted Tuesday in York to give its bishop until February to study a report on the ordaining of women. It also called on London to impose sanctions on South Africa. *(Reuters)*

Vietnam has accused China of making 15 large-scale attacks into Vietnam to seize territory in the first half of 1986 and of killing 46 Vietnamese in shelling across the border during the period. *(AP)*

Prime Minister Zhao Ziyang of China held a second round of talks Tuesday in Belgrade with the Yugoslav prime minister, Branko Mikulic, mainly on international questions. *(AFP)*

Israeli officials reported progress in talks with a U.S. legal expert, Abraham D. Sofaer, who is trying to settle an Israeli-Egyptian dispute over the Red Sea resort strip of Taba, held by Israel. *(Reuters)*

• • •

Travel Notes

■ Air France plans to maintain some long-distance flights to the Americas, Asia and French overseas territories despite a 24-hour strike of flight crews and ground staff called for Wednesday, a spokesman for the state airline said Tuesday. *(Reuters)*

South African Violence Indicates Tactical Shift

By Glenn Frankel
Washington Post Service

JOHANNESBURG — The leading South African resistance movement, the outlawed African National Congress, may have turned a crucial page in its war against white minority rule with the recent spate of terrorist-style bomb attacks on "soft" civilian targets here, political analysts say.

Since the government imposed a nationwide state of emergency on June 12, a crowded restaurant, a fast-food shop, a hotel, a bus stop, a supermarket and a shopping center have been hit.

While no one has claimed responsibility for the attacks, many observers say they believe the movement's operatives are behind most of them.

NEWS ANALYSIS

The bombings, which have killed three white civilians and wounded at least 100 other people, most of them white, appear to mark a significant change in the movement's longstanding policy of concentrating on military, police and related targets.

Observers say that either the movement's leadership is deeply divided over that policy or else some of its agents inside South Africa have decided to defy the leadership's orders.

The bombings have found some favor among younger black militants in segregated South African townships.

But they have damaged the long campaign of the African National Congress and the United Democratic Front, the internal political coalition whose views most closely mirror those of the congress, to gain support and increase divisions within the country's white minority.

They also have troubled black leaders such as Bishop Desmond M. Tutu, the Anglican leader, who denounced the attacks last week.

The bombings raised new questions, too, about the role of the small but influential South African Communist Party inside the congress. Many of the party's leaders sit on the movement's national executive.

Congress spokesmen generally have maintained public silence on the bombings.

The one exception has been a British radio interview in London last weekend with Joe Slovo, chief of staff of the movement's military wing, who is both a member of the national executive and leader of the Communist Party.

Mr. Slovo said the movement's policy had not changed, noting: "We are not moving toward a new strategy in our military activity."

"We are not now embarking upon a campaign of terror against civilians," he said. But Mr. Slovo he refused to criticize those who might have carried out such attacks. "I wouldn't condemn them publicly," he said.

In the past, Oliver Tambo, the president of the African National Congress, has condemned attacks aimed solely at civilians and has pointed to his organization's adherence to the Geneva Convention rules against attacks on civilians.

But his uncharacteristic silence in recent weeks, coupled with Mr. Slovo's ambiguous statement, suggests to some analysts that the movement's old guard is caught in an internal debate with hard-liners.

"These attacks are too recent and still too few to form a definite pattern," said Tom Lodge, a South African political scientist and a leading academic expert on the movement. "On the other hand, once your operatives cross a threshold and there is no stern reaction from the leadership, the tendency is to cross that threshold again and again."

The movement, which is variously estimated to have 2,000 to 8,000 trained guerrillas outside South Africa's borders, has stepped up its war against the Pretoria government in recent months.

The Institute for Strategic Studies in Pretoria, a think tank with close government ties, lists 124 attacks in the past six months compared with 136 for all of 1985.

It contends that 56 of those assaults have been on targets it considered soft, more than it recorded for the three previous years combined. It also reported 45 attacks against policemen or state witnesses this year, compared with 40 for all of last year.

The South African government has long contended that the congress is a terrorist organization dominated by Communists and under the firm control of the Soviet Union.

But Mr. Lodge and other analysts say the division in the multiracial movement over civilian targets is not an ideological one with Communists on one side and black nationalists on the other.

Mr. Slovo, the white Communist leader, is more inclined to side with Mr. Tambo on this issue, they contend.

Both men are part of the movement's older leadership who reached maturity during the 1950s when the movement, then legal and committed to nonviolence, prided itself on white-black cooperation.

These leaders have long contended they do not want their struggle to deteriorate into a race war. They have always insisted that one of their primary goals is to divide and win over whites in order to weaken the power structure.

The movement's perceived restraint also has helped its drive toward recognition and legitimacy in London and Washington.

But the state of emergency decree issued last month, and the resulting roundup of perhaps 4,000 anti-apartheid activists, apparently led someone in the chain of command to change tactics.

The first hit was a powerful car bomb outside a crowded Durban restaurant and bar on June 15 that killed three white women and injured more than 60 people. A series of smaller mine bombs in the Johannesburg-Pretoria area followed.

An Afrikaner academic who met with congress officials outside South Africa soon after the blast said he detected division among them.

The attacks serve two purposes, said a knowledgeable sympathizer of the movement in Harare, Zimbabwe. They assure the movement's supporters in the black townships that the congress is aware of their plight under the state of emergency and is prepared to strike back.

They also warn the government that the congress is prepared to extract retribution for violence committed against blacks by South African policemen and soldiers.

Frederique Langrajde/Reuters

VISITORS FROM FRANCE — As Raisa Gorbachev, right, escorted Danielle, Mitterrand at the House of Pioneers in Moscow, Mikhail S. Gorbachev, the Soviet leader, and President François Mitterrand held talks in the Kremlin for the second day Tuesday. The leaders focused on East-West issues, including arms control and a possible summit meeting this year of Mr. Gorbachev with President Ronald Reagan.

Diplomats Barred by Turkish Cypriots

By Henry Kamm
New York Times Service

NICOSIA — The Turkish Cypriot authorities informed diplomats Tuesday that they would no longer be allowed to cross the Turkish-occupied northern Cyprus.

On Friday, the government closed the five crossing points along the line separating government-held territory from the zone occupied by the Turkish Army since 1974.

The U.S. ambassador, Richard W. Boehm, was among those who, to test the extent of the border closing, had asked to see Rauf Denktash, leader of the Turkish Cypriots and president of the Turkish Republic of Northern Cyprus. Only Turkey recognizes the breakaway state.

The Greek Cypriot government of President Spyros Kyprianou has refrained so far from strong reaction, a cabinet official said, because it has been urged by the United States to remain calm while it attempts to stay the Turkish hand. But the official said a belief that a new crisis in the long-standing conflict on the island was taking hold.

Mr. Kyprianou said that in view of Mr. Denktash's persistence in challenging other countries and the United Nations, the government was preparing a possible call for a meeting of the UN Security Council. He said the government would never accept a separate agreement between the United Nations and northern Cyprus, as Mr. Denktash demands.

The closure of the demarcation line puts at risk development projects in the north that are financed by the United States through the UN High Commissioner for Refugees. The projects are administered from Nicosia, since all foreign missions are accredited only to the Cypriot government.

It also will make it difficult for Turkish Cypriots who have been granted college scholarships to the United States to accept them, and will increase the international isolation of the Turkish community by making it more difficult for Turkish Cypriots to obtain visas.

A senior adviser to Mr. Denktash said the government had decided to make no exception to its denial of access to diplomats.

Bourguiba Picks New Successor

Reuters

TUNIS — President Habib Bourguiba dismissed Prime Minister Mohammed Mzali, his constitutional successor, on Tuesday and replaced him with the economics and finance minister, Rachid Sfar, the official TAP news agency said.

Mr. Mzali had been prime minister and secretary-general of the ruling Socialist Destourian Party since April 1980.

Under the Tunisian constitution, the prime minister succeeds the president in the case of his death or disability and holds office until the next parliamentary elections, after which presidents are elected every five years.

The next elections are scheduled in November.

Mr. Mzali was dismissed after seeing much of his power and influence gradually reduced in the last few months. He had earlier lost the Interior Ministry portfolio.

On June 21, at the 12th congress of the ruling party, Mr. Bourguiba had reaffirmed his support of Mr. Mzali, saying: "He has my confidence, now and in the future."

But a few days later Mr. Mzali's isolation and shaky position were made evident when his wife, Fethia, lost her job as minister for family and women's affairs.

Mr. Mzali, 60, a former schoolteacher, had appeared on course to succeed Mr. Bourguiba until January 1984, when nearly 100 people were killed in nationwide rioting after the price of bread was doubled by decree.

Interior Minister Driss Guiga was made the scapegoat for the rioting and Mr. Mzali took over the Interior Ministry as well. But his fortunes started to decline when Mr. Bourguiba appointed a former army general, Zine el Abidine ben Ali, as interior minister.

After that, Mr. Mzali's closest associates lost their posts in a series of moves by Mr. Bourguiba, who is president for life, to reassert his power over party and government posts.

Mr. Mzali, a grocer's son, was born in Mr. Bourguiba's hometown of Monastir. He was one of the first top government officials to have a solid grounding in Arab and Islamic culture.

In 1958, Mr. Bourguiba gave Mr. Mzali his first major job as director general of youth and sports. He later became director-general of radio and television and held several ministerial posts, including defense, education and health.

Mr. Sfar, the new prime minister, is a finance specialist.

In his speech to the party congress in June, Mr. Bourguiba referred to economic difficulties facing the country, which has been hit by a sharp drop in the price of oil, its main source of foreign exchange.

Mr. Sfar, 52, a fiscal expert who has risen rapidly in the ranks of the party, began his career as a tax inspector at the Finance Ministry and was later appointed secretary-general at the Education and Finance ministries.

He joined the government in 1977 as minister of industry, mines and energy, later holding the defense, health and economy portfolios. He has been minister of finance and economy since April 28.

Lange Says New Zealand Felt France Might Kill 2

United Press International

WELLINGTON, New Zealand — Prime Minister David Lange said Tuesday his government had feared that France might try to kill its two Intelligence officers jailed in the sinking of the Rainbow Warrior to conceal French involvement.

Mr. Lange agreed Monday to a United Nations-mediated settlement under which New Zealand would give France custody of Captain Dominique Prieur and Major Alain Mafart if they spend three years on a remote Pacific island.

The two pleaded guilty to manslaughter and were sentenced on Nov. 22 to 10-year terms for their role in the mission to sink the Greenpeace protest ship in Auckland Harbor a year ago.

AP

David Lange

Bomb explosions, one of which killed a Greenpeace photographer, occurred just before the ship was to lead a fleet to protest French nuclear testing at Mururoa Atoll.

Michael King, an author, said in a book "Death of the Rainbow Warrior," published Tuesday, that France had been prepared to send agents to kill Captain Prieur and Major Mafart in their cells so the complicity of Paris would not become known.

Mr. Lange said his government "thought there was a possibility of an attack on the agents held in jail, and that is why they were transferred into a more secure situation."

In his book, Mr. King said 13 operatives traveled to New Zealand to sink the Rainbow Warrior. He said Major Mafart and Captain Prieur did not attach the bombs but were part of a decoy plan to draw the police away from the others.

Under the settlement, New Zealand agreed not to pursue prosecution of the other, unnamed agents and Major Mafart and Captain Prieur will be handed over to French authorities by July 26 and taken to Hao Atoll in French Polynesia to serve three years on a military base. In addition, France agreed to pay $7 million in compensation to New Zealand.

New Zealand's two biggest newspapers and opposition leaders, meanwhile, assailed the prime minister for reneging on a pledge that the French officers would not be released "during the lifetime of my government."

"The prime minister had been made to look a fool by the decision to release the two French agents from New Zealand to spend the next three years with family and friends on a Pacific island," said Jim Bolger, leader of the National Party.

The New Zealand Herald said: "The Rainbow Warrior aftermath now stands as a contemptible episode of New Zealand history."

U.S., Citing Zimbabwean 'Hostility,' Reviews Aid

The Associated Press

WASHINGTON — The Reagan administration has announced that it will reconsider aid to Zimbabwe after a Zimbabwean cabinet minister criticized U.S. policy on South Africa in what Washington considered an untimely manner.

David Karimanzira, Zimbabwe's minister of youth, sport and culture, made the remarks in a speech at U.S. Independence Day reception in Harare on Friday.

The State Department, noting that there had been no apology from the government of Prime Minister Robert Mugabe, said Monday that a formal protest had been presented to Zimbabwe over the incident. The department spokesman, Bernard Kalb, called it a "breach of propriety."

Later, the department's press office distributed a brief announcement that said, "Hostile diplomatic behavior by Zimbabwean leaders has led to a further review of our aid efforts in that country."

Since Zimbabwe gained independence in 1980 the United States has provided more than $370 million in economic assistance. Congressional budget constraints prompted a reduction in aid from $26 million in 1985 to $20.5 million this year. So far only $7 million has been obligated for disbursement.

The United States has led all nations in providing assistance to Zimbabwe, but has repeatedly expressed irritation at foreign policy positions taken by Mr. Mugabe's socialist, nonaligned government.

Jimmy Carter, the former U.S. president, who was on a brief African tour, led a walkout of Americans from the reception Friday after about five minutes of Mr. Karimanzira's speech.

Mr. Karimanzira, speaking on behalf of Foreign Minister Witness Mangwende, said the Reagan administration's policy on South Africa was full of "platitudes and apologies for apartheid."

Mr. Carter described the speech as "a long, rambling, carefully prepared, vituperative attack on our country" that he said was "entirely inappropriate" for a social occasion on the Fourth of July.

The former president, who while in office supported the removal of the white-minority Rhodesian government in what is now Zimbabwe, also said he disagreed with many aspects of the Reagan administration's policy in southern Africa.

At the reception, Mr. Karimanzira criticized the United States for applying economic sanctions against Nicaragua, Poland and Libya while refusing to take strong measures against South Africa.

Commenting Monday on a television news program in the United States, Mr. Carter said he did not object to the substance of Mr. Karimanzira's statement.

"It wasn't what he said," Mr. Carter said. "It was the way and the time that he said it.

"All over that region, there's a general disappointment and sometimes outright condemnation of the lack of active opposition in our government to apartheid in South Africa," Mr. Carter said.

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Malaysia to Hang Woman, 69, for Opium Offense

The Associated Press

KUALA LUMPUR, Malaysia — A 69-year-old woman was sentenced to death for drug trafficking in Malaysia a few hours after two Australians were hanged there for smuggling narcotics.

The Star Daily, a Malaysian newspaper, said Tuesday that the woman, Ooi Ah Tee, believed to be the oldest person to be sentenced to death for drug trafficking.

She was sentenced Monday by the high court in Penang for trafficking in 1,304 grams (46 ounces) of raw opium in September 1983.

Justice Mohamed Saleem Abdullah said he was swayed by the woman's age and poor physical condition. "In some cases, I would have tempered justice with mercy because of her age," he said. The maximum penalty has been mandatory for drug trafficking since 1975.

The Associated Press

Ooi Ah Tee being escorted to jail after being sentenced to death Monday for trafficking in opium in Malaysia.

DS Screening Guards S. Blood Supply, but Problems Remain

Philip M. Boffey
York Times Service

NGTON — Screening AIDS have made the U.S. ply much safer, but more ar of experience with the shown several critical according to medical ex- ning a scientific confer-

blems include occasional to detect contaminated apparently large number sitive results that suggest d is contaminated when it nd disagreements among s by different manufac- performed by different ns, the experts said Mon-

ailures also were reported mechanisms designed to e blood supply, including ments to purify the blood ed by hemophiliacs, and al programs designed to individuals who are most be infected with acquired deficiency syndrome not their blood.

individuals in high-risk ch as male homosexuals, to donate blood despite s to warn them away, sev- rts said.

These and other problems that have developed during the first year of nationwide testing to protect the blood supply from contaminants are the focus of a conference that opened Monday at the National Institutes of Health, in Bethesda, Maryland.

After hearing testimony from experts through Tuesday, a 13-member panel is to prepare recommendations on how to use and interpret the tests.

Dr. Joseph R. Bove, a professor at the Yale University School of Medicine, said that all blood banks and plasma collection centers use the tests, although they are not required to do so.

The tests are designed to detect blood or plasma containing antibodies to the AIDS virus, which is a sign that the donor has been infected. The tests do not detect the virus itself, which can be identified only through laborious procedures that are impractical for large-scale screening.

Typically, a blood donation will be subjected to an initial screening called an enzyme-linked immunoassay. If it looks positive for AIDS, it will then be put through the test once or twice more. Those blood units that are judged "repeatedly reactive" are then subjected to a follow-up test, which is deemed more accurate in determining if AIDS antibodies are present.

The initial screening test has been designed to be sensitive enough to pick up most contaminated blood units. As a result, however, it falsely identifies many blood samples as possibly contaminated with AIDS when there is no confirming evidence whatsoever that such is the case.

Even so, several experts said, some contaminated units escape detection, either because the donors had not developed antibodies at the time they gave blood, or because the amount present is below the detection limits of the screening test used.

One study in California found 13 such detection failures, or false negatives. Dr. Michael S. Ascher, deputy chief of a key California state laboratory, said this suggested that perhaps 15 or 20 units of contaminated blood would slip by the blood bank screening tests in California in a year. He warned that false negatives are "more common than generally thought, if you look for them."

Far more common are false positive results that cannot be confirmed by followup tests.

Several experts estimated that 20,000 to 25,000 individuals so far have donated blood that repeatedly shows up positive for AIDS on the highly sensitive screening tests but then shows up negative on the more specific follow-up tests.

ties Call f Elections Nicaragua

Stephen Kinzer
York Times Service

AGUA — Leading oppo- rties have called on the government to hold new elections and asserted they in with 80 percent of the ch elections were held.

pposition also proposed n of a "National Peace sion," which would in- l civilian groups in the to seek a negotiated solu- Nicaragua's problems.

andinists have rejected nands in the past.

the last two weeks, they ved against what they call otic forces," closing the n newspaper La Prensa g two prominent Roman clergymen, the Reverend k Carballo, head of Nica- Catholic Radio, and Bishop tonio Vega Manilla.

government does not agree ection proposal, said Erick , the leader of the Social a Party. "It will mean that linist Front does not want hat it wants violence and Nicaragua."

amirez said he had been to meet on Monday with a ist commander, Carlos Téllez, president of the Na- assembly.

n Catholic bishops met in a on Monday to consider linist moves.

Tuesday, Vatican officials a letter from the Nicara- bishops strongly criticizing dministration, Reuters reported ome.

bishops accused the govern- longstanding official hos- d repression and criticized of priests actively involved andinist administration.]

who signed the opposition included leaders of the two nal Nicaraguan parties, the s and the Conservatives, as the Social Christians and Democrats.

dent Daniel Ortega Saave- elected to a five-year term 984 voting.

of the opposition leaders ote on Monday represent that refused to participate election.

ega Cites Plot by Bishop

Ortega, in an interview y, contended that Bishop nd conspired with the U.S. l insurgency to set up a net- f collaborators for the rebels Nicaragua, the Los Angeles reported from Managua.

said the government's recent to exile Bishop Vega, bar Carballo from re-entering untry and close La Prensa t represent a radicalization revolution. Mr. Ortega said still was a right to dissent in gua and that no other mea- were planned.

is is not like in Cuba in Mr. Ortega said, "when ex- gressive measure the U.S. ment took, Cuba responded versibly deepening the radi- ion process."

also said that the measures were "not irreversible."

AMERICAN TOPICS

The Associated Press

FALLING STAR — One hundred skydivers linked up over Muskogee, Oklahoma, at the U.S. championships. The number in formation was described as a record.

Commuting by Air: Expensive but Fast

It costs $70 one-way to commute from Manhattan to the summer resorts of Long Island by seaplane, but the people who operate the half-hour flights say they have more business than they can handle. To fly to the seaside every Friday evening and return every Monday morning over a 20-week season costs $2,800. But to a New York air commuter whose beach house costs $15,000 or more to rent for that period, the expense may not seem so outrageous.

Guy Michener, who started out with one plane 17 years ago, now has six, each of which can carry a pilot and five passengers. He told The New York Times that he likes to take his passengers on a scenic route over the Statue of Liberty, the Verrazano Narrows bridge, Coney Island and Jones Beach.

A rival operator, Jim Herron, often flies the customers over the Long Island Expressway, which for decades has been known as "the world's longest parking lot." He explained, "All they have to do is look down at the traffic and suddenly they don't feel like it's that expensive a way to travel after all."

Short Takes

An initiative that would force California officials to bar victims of AIDS from working in schools and restaurants has been certified to appear on the November ballot, making California the first state to test voter sentiment on acquired immune deficiency syndrome. The initiative gained more than the required 443,219 petition signatures. Backers say state officials have refused to pursue necessary measures to protect the public from AIDS. The California Medical Association has denounced the initiative. Joel Wachs, a Los Angeles city councilman, called it "the most sweeping rollback of civil rights since Nazi Germany."

Videocassette yearbooks are supplementing but thus far not supplanting printed yearbooks at U.S. high schools and colleges. They show such activities as students at Princeton University blowing a table tennis ball back and forth across a table in a game of "blowpong," students at the University of Michigan racing bedsteads down the street for charity, and students at Rutgers University in classrooms and the library against a sound track of rock music. Robert H. Levitan, who has started a production company for video yearbooks, calls them "memories in motion."

Of the 12 latest U.S. sites to be designated National Historic Landmarks, three are on Fifth Avenue in Manhattan: the Metropolitan Museum of Art, started in 1880 and frequently added onto since then; the Plaza Hotel, finished in 1907; and the Empire State Building, finished in 1931. They join about 50 landmarks in New York City, including City Hall, Central Park, Grand Central station, the New York Public Library, the Chrysler Building and the Dakota apartment building.

This year is the centenary of the first appendectomy in the United States, at what now is known as Roosevelt Hospital, in New York City. Dr. Robert Hall was the surgeon and the operation was a success. Dr. Hall died in 1897 of a ruptured appendix.

Senate Republicans have been meticulous in sharing credit — or responsibility — for the tax-reform bill with their Democratic colleague, Bill Bradley of New Jersey. John C. Danforth, a Missouri Republican, relates that he went up to Mr. Bradley after Senate passage of the bill and told him, "This is your finest hour." Mr. Bradley, who does not deny presidential aspirations, said with a grin, "I'm not so sure about that." Mr. Danforth then amended his statement to "This is your finest hour so far" and then to "This is your finest hour today."

— Compiled by
ARTHUR HIGBEE

Student Use of Cocaine Remains at Peak Level In the U.S., Study Finds

By Richard Halloran
New York Times Service

WASHINGTON — Cocaine use has remained widespread among American high school and college students while the illicit use of marijuana dropped from 1980 to 1984 and leveled off in 1985, according to a new survey.

The Institute for Social Research at the University of Michigan in Ann Arbor, which conducted the survey, reported that 30 percent of all college students will have used cocaine at least once by the end of their fourth year in college. The National Institute on Drug Abuse in Washington financed the survey, which was released Monday.

The illicit use of many other drugs fell by half over that period, the survey reported.

Dr. Lloyd D. Johnston, a director of the study, said: "The drug epidemic largely originated on the nation's campuses in the late 1960s, so it is significant to see evidence that it is receding on those same campuses.

"The most serious current problem clearly is the fact that cocaine use remains at peak levels in this population. This is also true among high school students and young adults generally, not just college students," he said.

The illicit use of cocaine has been highlighted in the recent deaths of two prominent athletes, Len Bias, a basketball star at the University of Maryland who had been drafted by the Boston Celtics, and Don Rogers, a defensive back for the Cleveland Browns.

The survey results were made public during a spreading national debate over whether employers should test workers for drug use. Advocates say testing is necessary to make workplaces safe and efficient. Opponents say that testing would be an invasion of privacy.

The military forces, which have a mandatory program of random testing, said that the illicit use of marijuana dropped from 37 percent in 1980 to 9 percent in 1985. The U.S. Defense Department has said that less than 1 percent of the armed forces use cocaine.

Institute researchers, including Dr. Jerald G. Bachman and Dr. Patrick M. O'Malley, found that "the number of young adults who try cocaine appears to rise steadily to at least age 27, the oldest group followed in this study so far, by which point nearly 40 percent have tried it."

They said that active use, meaning at least once a year, "rises steadily to about age 22, where it plateaus at least through age 27."

Dr. Johnston said, "Students report cocaine to be fairly readily available and, until very recently at least, the great majority saw little risk in experimenting with it."

The report said that "clearly this nation's high school students and other young adults still show a level of involvement with illicit drugs which is greater than can be found in any other industrialized nation in the world."

It also said that "prevention programs need to begin at quite a young age if they are to reach youngsters before some 'critical mass' of them have already begun to use drugs."

The Institute for Social Research began the survey with the high school class of 1976. The margin of sampling error for the survey was plus or minus 3 percentage points.

The survey showed that the illicit use of cocaine among college students was 17 percent in both 1980 and 1984. The illegal use of marijuana was 51 percent in 1980, 41 percent in 1984 and 42 percent in 1985.

Among other findings of the 237-page report, "Drug Use Among American High School Students, College Students, and Other Young Adults: National Trends Through 1985," were these:

- The illicit use of tranquilizers, barbiturates, amphetamines, methaqualone and LSD has declined steadily, but that decline appears to have leveled off in 1985.
- Men are more likely than women to use illicit drugs, regardless of gender.
- Heavy drinking of alcohol has become more common among men in college but less among both men and women in high school.
- By their mid-20s, "some 75 percent to 80 percent of today's young adults have tried an illicit drug." More than half have tried an illicit drug other than marijuana.

BUDGET: *A Dim Outlook*

(Continued from Page 1)

ment of more than $1 billion, was among $11.7 billion worth of automatic spending reductions that the law triggered for the current fiscal year. The Supreme Court, as part of Monday's decision, gave Congress 60 days to approve those cuts in legislative form; otherwise they will become void.

Failure to enact the 1986 cuts would have reverberations in 1987 by adding new momentum to federal spending. Congressional budget experts said that the 1986 cuts, assuming they are not restored for 1987, would trim $18 billion from the 1987 deficit. If the 1986 cuts were reversed, achieving the 1987 deficit target would become $18 billion more difficult.

Congress will begin facing the 1987 predicament in earnest on Aug. 15, when the Congressional Budget Office and the White House's Office of Management and Budget are required by the law to forecast the 1987 deficit based on spending and tax laws then on the books.

If that projection exceeds the law's $144-billion deficit target by $10 billion or more, which is an increasingly likely prospect, Congress will face a variety of unpleasant choices.

It could try to work out an agreement with the Reagan administration to adopt new taxes or additional spending reductions. However, President Ronald Reagan has vowed not to accept additional taxes, and Congress has refused to accept the domestic spending reductions that Mr. Reagan demanded.

Short of that, the law would continue to require the executive branch to prepare a package of wide-ranging spending cuts deep enough to reach the $144-billion target.

Before the Supreme Court ruling Monday, those cuts would have taken effect automatically on Oct. 1. Now they will become effective only if Congress enacts them into law.

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Fraud Charged in Mexican Vote Result

By Edward Cody
Washington Post Service

CHIHUAHUA, Mexico — In winning a lopsided victory in the Chihuahua state elections this week, the Mexican government has provided new political ammunition to its most vocal critics, according to long-time observers of Mexican politics.

The main opposition group, the conservative National Action Party, contended that there had been widespread fraud.

Although there was no proof of the assertion, vote manipulation and election irregularities by the government, which have been observed in Chihuahua by Mexicans and foreign reporters in the past, have created an atmosphere in which the allegations are likely to receive wide acceptance at home and in the United States.

The election was regarded by both parties as a critical test of the governing party's ability to continue its domination of Mexican politics.

With the extent of its victory, the official Institutional Revolutionary Party also has reinforced the perception of many foreign and Mexican critics that the governing system seems unwilling to deal with new political currents except by crushing them or absorbing them into the machinery of the Institutional Revolutionary Party.

The Chihuahua state leader of the party, Manuel Gurria, announced the victory of his gubernatorial candidate and his mayoral candidates for all major cities an hour after the polls closed Sunday night. Official results are not expected until later in the week.

Some analysts had predicted that, despite a declared determination to retain the Chihuahua state governorship and recover major city halls recently lost to the National Action Party, the government at least would allow the large border city of Ciudad Juárez to remain in opposition hands as a gesture of flexibility and fair play.

Bruce Bennett/The New York Times

Jaime Bermúdez, the Mexican government's candidate, campaigning before being elected mayor of Ciudad Juárez.

The candidate of the National Action Party, Gustavo Elizondo, who is popular in the city, campaigned against Jaime Bermúdez, the candidate of the Institutional Revolutionary Party.

Vote fraud and a closed political system have been among the major faults cited by Mexico's critics in the United States who have warned of possible social unrest. To the dismay of President Miguel de la Madrid's government, these warnings were sounded in public recently during hearings in Washington called by Senator Jesse Helms, a Republican of North Carolina, and later by the former U.S. ambassador to Mexico, John Gavin.

Romeo Flores, chairman of the foreign relations committee of the Chamber of Deputies, said such fear reflects mistaken American hopes to see a Mexican version of its own political system.

Some analysts, foreign as well as Mexican, have suggested that the Institutional Revolutionary Party's domination seems worse to Americans than it does to most Mexicans.

The Mexican historian and commentator Enrique Krauze wrote recently that one factor in the exceptional successes of the National Action Party in Chihuahua until this week was the local population's pragmatic border-state attitude toward political power, as opposed to a mystical approach to power inherited from the Aztecs and still traditional in most parts of Mexico.

In that light, Mr. Flores wrote, the charges of voting fraud mainly constitute a credibility problem in Mexico's relations with the United States and other nations. Within the country, he asserted, most Mexicans appear willing to accept election results as genuine.

Government officials speaking in private repeatedly have voiced concern over the possibility of street violence because of economic hardships. Mr. de la Madrid's austerity program, enacted in part to meet debt obligations, has sharply diminished living standards for most Mexicans.

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THE GIN OF ENGLAND

ubway 'Vigilante' Must Stand Trial

Reuters-UPI

Bernhard H. Goetz

The Associated Press

ALBANY, New York — New York state's highest court reinstated charges Tuesday of attempted murder and assault against Bernhard H. Goetz for shooting four youths on a Manhattan subway in December 1984.

Barry Slotnik, an attorney for Mr. Goetz, said he would not appeal the decision by the Court of Appeals to try Mr. Goetz on the charges, which had been thrown out by lower courts.

Mr. Goetz, 39, an electronics worker, was praised as a hero by some and criticized as a vigilante by others after he admitted shooting the four young men.

He said that when they approached him and one of them asked for $5, he feared he was going to be mugged. The youths said they were panhandling. Mr. Goetz also faces charges of illegal possession of weapons.

The court said that state law does not "allow the perpetrator of a serious crime to go free simply because that person believed his actions were reasonable and necessary to prevent some perceived harm."

The maximum penalty for attempted murder is 25 years in prison and for assault, 15 years.

Three of the four youths have recovered from their wounds but one was left paralyzed.

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Louis XV in Santiago

President Augusto Pinochet, who once likened himself to Caesar, now seems determined to follow the path of Louis XV of France: Let the revolutionary deluge come, provided it comes after his rule.

General Pinochet remains entrenched despite wide opposition. His military regime is in its 13th year and he dreams of ruling for years more. The United States is pursuing an enlightened policy that looks beyond the deluge. It has been frustrated, however, by the general's obduracy and by persistent divisions in the opposition. Last week the Pinochet regime easily survived another round of mass demonstrations on behalf of democratic rule.

This protest was organized by middle-class professional associations and had the support of all the major political currents. Yet it was put down with the usual cruelty. In one of the more gruesome incidents, a Chilean teen-ager on a visit from Washington was burned to death by people widely suspected to be Chilean soldiers.

It takes such unyielding repression, and skillful manipulation of opposition blocs, to preserve the unpopular military dictatorship. All of Chile's major political parties now call for a transition to democratic rule, but there are differences over key details. For instance, what future role should be permitted for the far left, including the Communist Party? Another division separates those who would rely mainly on negotiating with the military from the apparently larger faction that prefers pressure from the streets and abroad.

U.S. policy, personified by Ambassador Harry Barnes, seeks to reinforce moderate opposition voices and urges the regime to be more responsive. Washington, at least, recognizes that, when the peaceful protest of a moderate majority goes ignored, extremist arguments gain strength. Yet the general remains immovable. He is the least popular and yet the most successful politician in Chile. He has already marked himself as the man who interrupted Chile's long tradition of democratic rule. Will he now also become the man who destroyed all prospect of its orderly return? Après Pinochet, what?

—THE NEW YORK TIMES.

Now Back to the Job

The Supreme Court's ruling on the balanced budget law peels away the pretense that immense budget deficits can be reduced by invoking the solemn Gramm-Rudman-Hollings formula. The budget law is a gimmick, a substitute for tough decisions. The immediate temptation will be to tinker with it to make it legal. The responsible course now, even more than before, is to forget the fig leaf and reduce the deficit.

Frustrated by five years' flailing at escalating deficits, Congress dreamed up this crude law last summer, ostensibly to balance the budget by 1991. It orders annual deficit reduction to specified levels, starting with $144 billion in the year that starts Oct. 1. The comptroller general is instructed to determine whether the appropriations, authorizations and tax legislation that Congress passes and the president signs would reduce the deficit as much as required. If not, the law imposes automatic, arbitrary spending cuts, half on defense programs and half on other programs.

The Supreme Court has now upheld a district court ruling that the role provided for the comptroller general is unconstitutional. Because he is answerable only to Congress, he cannot exercise the executive power given him by the budget law.

The law, anticipating this possibility, provides for an alternate procedure. Instead of automatic spending cuts, Congress must vote whatever cuts are needed, and the president must agree. That is what Congress wanted to avoid when it handed the ax over to the comptroller general. So there is already talk of quickly writing another law to give him legal standing. All this attention to mechanical detail overlooks the central issue: Does anyone in Washington really care about reducing the deficit?

President Reagan hailed Gramm-Rudman-Hollings as "landmark legislation" when he signed it last December. Two months later he violated its deficit ceiling with his budget for fiscal 1987. Now Congress has just adopted a 1987 budget resolution, two months after the deadline in the law, which probably breaks the ceiling, too.

The congressional resolution overestimates likely tax collections. Worse, except for finally holding back the headlong growth of defense spending, it fails to sort out priorities. Mr. Reagan proposed to end more than 40 programs; Congress could bring itself to end only two.

Priorities are what budgeting is all about. That is the basic error of Gramm-Rudman-Hollings: Government has to decide not whether the comptroller general is an officer of the right branch to cut spending, but how spending should be cut or taxes increased to get the deficit under control. The Supreme Court's ruling exposes what needed to be exposed: Fiscal responsibility rests in Congress and in the White House.

—THE NEW YORK TIMES.

A Time to Walk Out

Former President Jimmy Carter provided an exemplary lesson in national pride and manners the other day. He was in Zimbabwe, a country friendly to America but with a different policy toward South Africa. It was the U.S. Embassy's Fourth of July reception, and a script had been worked out for an exchange of toasts appropriate to the occasion. The cabinet minister standing in for the foreign minister, however, unexpectedly launched what turned out to be a 20-minute tirade that was apparently crude even by the standards of routine Third World anti-Americanism. Mr. Carter conferred with Ambassador Gibson Lanpher, and the two of them walked out.

Many Americans abroad have had foreigners address them as if they could personally be held accountable for everything that goes on in the United States. It is, for the foreigner, a context so rich in symbolic and theatrical potential that it cannot be lightly forsaken. In this case, one can only imagine the light the leprang on in the mind of the Zimbabwean minister as he contemplated that he had before him a former president in circumstances in which protocol and surprise would let him trap the distinguished visitor in silence, before a notable audience, for a period of time. Perhaps the speaker also figured that, since Mr. Carter is a critic of current U.S. policies in the region, he could somehow turn the Carter presence against the Reagan policy.

This is what was so eminently right about Mr. Carter's response. It took him little time to realize that he was there on American turf on an American holiday in his role as a former president, and that he could not allow a clever foreigner to exploit him either as a former president or as a critic (on home soil) of Reagan policies. An ex-president carries with him a continuing responsibility for the dignity of the office, and has special reason not to let himself be drawn into the policy debates or, least of all, the political tricks of other countries. Explaining his walkout at a press conference, Mr. Carter declared the Zimbabwean speech "an insult to my country and an insult to me personally," and demanded an apology. He added, the more tellingly for his record of devotion to Africa: "It's counterproductive for an occasion like this to be used to attack my country, because it's going to make it much more difficult for President Reagan to deliver on the financial aid that he would like to deliver to Zimbabwe."

Two cakes were reportedly left uncut. It is also recorded that the startled audience of 200 Zimbabweans and diplomats burst into applause in approval of Mr. Carter's walkout. Mr. Carter deserved it.

—THE WASHINGTON POST.

Open Letter to Botha: Nuremberg May Come Again

By André Brink

The writer is an Afrikaner novelist and essayist. This is an open letter to President P.W. Botha protesting the state of emergency declared on June 12. The emergency decree puts severe restrictions on the press that prohibit independent reporting about the emergency or the violence that has accompanied it.

GRAHAMSTOWN, South Africa — Mr. State President:

You have now succeeded in establishing a deadly silence surrounding yourself and your government. Now no one can report on what you are planning or doing, no one can expose your lies and evils, no one can speak up for those oppressed, hounded, turned out of their burning homes, tortured or killed by the latest incarnations of the Gestapo. Not even the number of those who are disappearing around us daily may be divulged.

Why did you do this? You were annoyed, no doubt, by the proddings of the courts and by interference from concerned individuals, parliamentary investigators, enterprising journalists and others who persisted to bring to light the truths about your embattled regime. But in fact, with your arrogance, intransigence and organized campaigns of terror against the oppressed, you created the circumstances you required for the declaration of a state of emergency.

You assume in that you have good reason. "I have the facts," you shout. But we have seen the quality of your "facts" before. Your minister of police offered the world your facts when he told us in March 1985 that your courageous and beleaguered police had issued a violent mob at Uitenhage, near Port Elizabeth. But public pressure forced you to institute a judicial commission of inquiry to look into what had happened, and we learned that the police had fired into a peaceful procession of men, women, children and babies, killing no less than 21 demonstrators.

You try to convince gullible Western leaders like Ronald Reagan and Margaret Thatcher that you are in fact a Great Reformer. So you scrap the Mixed Marriages Act but then refuse to allow married people from different races to live together where they choose. You end forced removals; then "coincidental" violence involving your security forces happens to encounter the homeless to move violently. You abolish the pass laws, then you set about arresting countless blacks for "trespassing." You bring a handful of colored and Indian people into Parliament and offer them an illusion of power sharing, but the moment they hesitate to cooperate in passing some of the most draconian legislation this country has ever seen, you treat them like schoolboys — and press ahead with the legislation regardless.

You announce that you will discuss constitutional reform with black leaders while ensuring that the true leaders of the people are kept in jail or detention. You assure the world that this is a free country, yet since long before the state of emergency the meekest peaceful protests have been brutally broken up. You tell us you are a Christian, yet you send in your forces to fire tear gas at funeral processions, forcing the mourners to drop their coffins in the road. And when we protest that we cannot believe you, you try to end all criticism by imposing the Big Silence.

Where do I stand as a writer in this state of emergency? I know very well where I stand: The very act of committing to paper this open letter to you is a crime.

I can be arrested for this. And if that happens, you may do your best to ensure that people in South Africa will not even know that I am among the innumerable nameless ones who are disappearing every day.

But I also know that I cannot submit to being silenced forcibly — not as long as I have a conscience to live with and I have breath enough to say "Facsimile."

I have no illusions about what a writer can do, physically. But neither should you have illusions about a writer's impotence.

You are confident that you have finally reduced us to silence. But you have not. There may be some temporary silence in the land—the silence of prison walls so thick that you cannot see the blood on the insides of them or hear the muffled screams. But that blood, those screams, have a way of filtering through into the pens of writers.

I appeal to the writers of my land to bear witness. We will not be silent forever. We have history and truth on our side.

You muzzle journalists. The "facts" may not be reported, except in the bland or mutilated forms of your choice. But fiction has a way of recording a truth deeper than fact. What cannot be stated directly we can record in other ways: Thus will what happened live. If not allowed to publish, we must find other ways to disseminate what conscience impels us to write. If need be, we must emulate Russian colleagues and resort to samizdat.

You may well fly into another fit of your rages at the thought of us following Russian examples. But how many times has your own regime allowed itself to be inspired by the Kremlin — in your state control of the economy, your interference with production and marketing, your restrictions on free expression and your police-state methods?

A commission of inquiry in Argentina recently reported on the atrocities that the military government of that country resorted to in the mid-1970s in an effort to stay in power. The report makes chilling reading, especially in South Africa, where one recognizes so many signs of heading in the same direction.

The Argentinian report is titled "Nunca Más" — "Never Again." What a sad and terrible plea, in this broken world. But there may be some small solace, too, in knowing that certain historical patterns do recur — not only the darknesses, but the light as well. Nuremberg may indeed come round again.

The New York Times.

By BILL DAY, Detroit Free Press.

They Might Do a Little Better If They Can Get Into the Country

By Richard O'Mara

The writer is foreign editor of The Baltimore Sun.

BALTIMORE — A journalism student visiting The Baltimore Sun inquired why we didn't run more stories about the war between Iraq and Iran. "We don't have stories about that war," I answered, "because we haven't been invited to it."

Earlier, at a seminar at the American Press Institute's center in Reston, Virginia, we were discussing the "new world information order," a proposal advanced in the mid-1970s by a group of Third World countries through UNESCO. Among other things, it calls for regulation of the news flow from the poorer lands.

Its ostensible aim is to balance coverage, steer it away from the usual emphasis on the catastrophic. We who opposed it suspected it would be used to diminish the flow of news, or twist it in an effort to further the aims of one partisan group or another.

Arguing in support of the proposal, a Nigerian journalist at the seminar complained that he had never read anything positive about his country in U.S. newspapers; that all we ever reported on were wars, coups and the expulsion of Ghanaians.

"We might do a little better," commented a wire agency man, "if you let us in the country."

Perhaps our Nigerian colleague had a point. There is no doubt the agency man did. Nothing is better than to be on the scene, or near enough to smell the smoke and feel the earth shake, stories, be they of triumph or of failure, are not well reported and readers are not well served.

Access is key. And in the case of most news events, governments control access to the event primarily by controlling entry to the country.

In fact, getting into a country where something is happening is the first and frequently the biggest hurdle. The visa's the thing. Often it's harder to get than the story.

In 1980 the emergence of the Solidarity trade union in Poland seized the imagination of the world. Foreign editors in America reacted with varying degrees of appreciation to that unprecedented event. Most wanted to get a reporter into Poland.

The Sun keeps a correspondent in Moscow and access to Poland must be gained through the Polish Embassy there. At first this was no problem. Our correspondent got to Warsaw and covered the birth of the Communist world's first independent trade union. Then, when his visa expired, he was forced to leave the country. This he did, but only briefly. He reentered as a tourist and covered the signing of the historic (and later betrayed) Gdansk agreements.

Ryszard Kapuscinski, the great Polish journalist, once wrote that foreign correspondents are distinguished by their determination to surmount the insurmountable, to overcome all obstacles to get their stories out. True to his breed, our correspondent took a chance and did his job. Because he returned as a tourist, the Polish government was not eager to see him there again.

All the world, when it comes to obtaining visas, is divided into the easy countries, the difficult countries and the impossible countries. Most of the easy countries are in the Western Hemisphere, Western Europe and parts of Asia. Most of the difficult ones are in Africa and the Communist parts of the world.

The impossible countries are scattered about. They include Burma, North Korea, Albania and Saudi Arabia. However, even these can be penetrated, if you are lucky. And it doesn't always matter if the country you are trying to get into is on good terms with the United States.

Take Saudi Arabia. It is harder for American journalists to penetrate than any East European country except Albania, which, in the opinion of nearly everyone, is the most impossible of the impossible countries. In my seven years as foreign editor of the Sun I have had two correspondents get into Saudi Arabia.

The Russians have a habit of keeping the petitioner waiting until the last minute. Once he or she gets in, travel is not free and easy, although as a rule a visiting correspondent has greater freedom of movement than one who is based there.

Access to several Middle Eastern countries routinely requires a request from the foreign editor to the embassy in question. These requests rarely receive a positive response. Syria is a difficult country for a U.S. journalist to get into; Iraq and Iran are virtually off limits. They will occasionally let you in, but they either impose unacceptable conditions on reporters or keep them away from anything that might compromise the regime.

In Asia the most difficult countries are North Korea, Vietnam, Laos, Cambodia and Burma, which is virtually impenetrable. Journalists occasionally gain access as tourists, take notes surreptitiously and write stories on leaving. This is not a good way to do reporting. It can also be dangerous. We once had a reporter arrested in Ethiopia for operating without a journalist's visa. Years ago I was briefly detained for trying to enter Rhodesia as a tourist because Ian Smith's government made obtaining credentials so difficult.

Vietnam has opened up slightly in recent years as it seeks recognition and assistance from the West.

Afghanistan is similar to Vietnam. There are two ways to go: either to don a burnoose and infiltrate with the guerrillas from Pakistan or to obtain the permission of the Afghan Embassy in Moscow. The first usually produces the more colorful copy, but perhaps not the broader perspective. Coming via Moscow offers a correspondent a closer look at the major cities and an appreciation of the Soviet military and political commitment in the country.

Visas are not easy to obtain in Afghanistan, and once you get one you had better move fast. One was granted not long ago to an American newspaper correspondent in Moscow who delayed in picking it up, so the Afghans withdrew it. Also, any new organization that sends a correspondent into Afghanistan with the intent hidin will never get a visa.

In Latin America visas are not a problem. Even Cuba, which for years shut out U.S. correspondents, now admits them regularly, and makes only perfunctory attempts to control their movements.

Africa remains the most difficult continent for American journalists to gain access to. Visas to West Africa will usually be hard to obtain, although Nate Polowetzky, foreign editor of The Associated Press, says West African governments are now much more receptive to correspondents based in the area. It is the "parachutists," who drop in only for the big disaster stories, that they seek to exclude.

East African countries, by and large, are easier. Even Ethiopia more readily opens its doors these days. Western reporters covering the famine triggered the flow of millions of dollars in aid. The current rulers know that the foreign press has its uses.

Marxist Angola and Mozambique will admit U.S. reporters when they have a point they want to make in the United States. As with Afghanistan, if you go into Angola with UNITA guerillas or into Mozambique with Renamo, you will never be officially invited to Luanda or Maputo.

Kenya has always been open to reporters, although recently authorities have begun following the practice of other African countries and issuing correspondents with South African stamps in their passports.

Access for American reporters to South Africa is less difficult than in many other African countries, but it no means a breeze. Journalists wait months for visa applications to be approved. The chances of being turned down appear to be even. Earlier this year, according to UPI, President P.W. Botha told South African lawmakers that he approved 350 visa applications in the second half of last year and rejected 322.

This was adapted by the International Herald Tribune from an article in the May-June issue of CPJ Update, published in New York by the Committee to Protect Journalists.

The Big Agencies Are the Least Bad Solution

THE big four news agencies — Reuters, Agence France-Presse, The Associated Press and United Press International — have usually been short of cash and constrained by their customers. They cannot afford to keep correspondents in parts of the world that are of only marginal interest to their largest clients. Nor can they compensate for the tendency of their subscribers to view the world through a local prism. Yet the myth of all-powerful news agencies dies hard.

When poor countries began to worry in the 1970s that their cultural identity was being warped by Western ideas and institutions, the news agencies became suspect. However unfair the charge, Jonathan Fenby argues in "The International News Services" (Schocken, 1986), news agencies bungled their response by relying too heavily on the moral case for press freedom without pointing out the limitations of what they can do.

Mr. Fenby sympathizes with the idea that there are other ways to keep the world informed besides the staccato news stories carried by the big four agencies. But he is skeptical about the assertion that the agencies could carry more material about the Third World. And he argues persuasively that developing countries and UNESCO — which led the campaign for a "new world information order" — have botched the job of setting up alternatives.

Until governments learn not to meddle, the big four will continue to be the least bad way to get the news.

— From a book review in The Economist (London).

Other Comment

Nakasone and Militarization

Prime Minister Yasuhiro Nakasone's ambition of greater recognition for Japan is backed by an assertive defense policy based on the assumption that Japan must have more firepower to be respected. As the momentum builds up, the distinction between what might be used for defense or attack is in danger of becoming increasingly blurred. If Mr. Nakasone's victory leads to a more militaristic nation, it will be sad not just for Japan but for the rest of the world.

— The Guardian (London).

New Zealand Makes a Deal

It is now clear that any nation big enough can send agents to New Zealand, wreak havoc, kill people and them, with arm-twisting and a cash sweetener, have this gutless government kick the courts in the teeth and dump all the police work in the garbage.

— The New Zealand Herald (Auckland).

Critics can say that our system of justice has been traded away for the sale of sheep brains, butter and lamb cutlets. [However,] arbitration of a dispute at an international level is a legitimate way to secure justice and resolve problems.

— The Wellington Evening Post.

New Zealand needs to export large amounts of butter to the European Community. The figures were due for revision this summer and it would have to be unanimous. France thus had a veto. After making sure of the sympathy of our European partners, Paris coldly warned Wellington that French opinion would not understand if its government failed to use that arm and the two French officers stayed in prison.

It is the servitude and grandeur of military personnel to carry out the missions assigned to them whether they like them or not. It is the duty and honor of the state to protect those who serve it.

— Le Figaro (Paris).

Exchange-Rate Reform Isn't Imminent

By Hobart Rowen

ZURICH — It is evident that the political consensus for the kind of international monetary reform that would stop wild currency fluctuations does not yet exist. For all the hope generated at the Tokyo economic summit, the path toward a new era of policy coordination will be long and painful.

U.S. Treasury Secretary James Baker will tell you he never promised that the task would be easy. Perhaps, sensing the wide disparities in the views among major partners, that explains why he ducked out of a commitment to come to a private meeting here from June 28 to 30 sponsored by two American legislators, Senator Bill Bradley and Representative Jack Kemp.

But, as realistic and pragmatic as Mr. Baker is, he may not have assessed the degree of negativism. Lamberto Dini, director general of the Banca d'Italia, said in an interview that "it will take years" before major changes are made in the present floating-rate system.

The worry expressed here is that after hopeful moves toward giving more stability to the international monetary system through the Plaza Hotel agreement last Sept. 22 and the May economic summit in Tokyo, the process is stalling.

Thus, Michel Camdessus, governor of the Banque de France, referred to the current status of the search for stability as "precarious." Mr. Camdessus approves of the French government's proposal to set a series of "reference zones" to trigger consultations when exchange rates get way out of line. "Cooperation is now the magic word," he said. "But how to avoid losing momentum? How to build on the success we have achieved?"

Some had specific answers. One of the most ingenious was that, for starters, the major countries should state explicit targets for their wholesale price index, and then loosen or tighten monetary policy as the index shifts. Thus the initial effort leading toward exchange-rate stability would be price stability.

This idea was advanced by a new "Shadow G-7" committee formed by a group of young, conservative New York bankers. They plan to monitor — that is, second-guess — official statements on monetary policy made by the seven major industrial countries — Britain, Canada, France, West Germany, Italy, Japan and the United States.

The International Monetary Fund and the seven nations at the Tokyo economic summit have agreed to study how price indexes might be used to compare economic performance. They are also looking at a long list of such economic indicators as possible guides to coordinated action to stabilize the dollar-yen, dollar-mark and other currency relationships.

But the Zurich session showed that there is no agreement on which indicators should be used or whether those indicators should automatically trigger action on exchange rates, as the Shadow G-7 group contends. The "automatic" approach gets into the delicate area of giving up national sovereignty for the international common good.

Clearly the establishment view, as opposed to Shadow G-7 and others who argue for formal target zones, is to move only cautiously. The central bankers who met here believe that capital movements are so enormous that they would overwhelm efforts to keep exchange rates within target zones.

Hans Tietmeyer, of the West German Finance Ministry, made clear that there is no political support in the Federal Republic for an economic expansion through lower interest rates — a goal endorsed by most other participants. Mr. Tietmeyer suggested that "some others can take the lead." Snapped Lord Lever, "The Germans are terrified if you ask them to cooperate."

The Germans, one concludes, missed the point. "It's not a question of Germany's being a locomotive," said President Gerald Corrigan of the New York Federal Reserve Bank. "It's a package deal." Like everyone else, the Germans will be affected by any decline in the U.S. budget deficit. Thus there must be an offsetting increase in domestic demand in West Germany and Japan to prevent a global slump.

But, viewed from the Zurich perspective, a package deal as suggested by Mr. Corrigan is a long way off. Alan Greenspan, one of the moderators, put it this way: "We could use a coordinated interest-rate reduction right now, but I don't know whether we can get it. What we see is that there are two levels of the concept of coordination. On the vocal level, everybody is for it. But when you get down to details there is no agreement."

The Washington Post.

LETTER

A Woman in Arabia

Your June 27 issue contains an article describing American artist Sheila Hicks' experiences in Saudi Arabia. (*"A Woman Artist Amid 12,000 Men," by Betty Freudenheim.*) As a woman, she is not permitted to drive a car, stay in a hotel or even travel, and to add insult to injury she is required to wear frumpy clothes.

All this of course is just the tip of oppression's iceberg. Future historians will be very puzzled that so many of us wasted so much time on condemnations of South Africa when there are dozens of countries in which oppression is far more pervasive and uncompromising.

W.F. SMYTH.
Bentley, Australia.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Wilbur Wright

BERLIN — [Wilbur Wright writes:] "Now that the Gordon Bennett flying machine race for 1911 is over, I would like to raise a few points. In the article which my brother and I contributed to the Aero-Club (New York) book in 1907, we stated that with motors then within reach, speeds exceeding 100 miles an hour could be attained. Even higher speeds could be attained today. But we believe that flying at the highest speed for which it is possible to design a machine is unreasonably dangerous. Consequently, the winning of the Gordon Bennett Cup has become largely a question of daring to use larger motors than others use. If the Gordon Bennett Cup is to become a real test of superiority of design and construction in flying machines, the rules should be so changed as to limit the size of the motors."

1936: 'We Want Cash'

CHICAGO — Angered by delay of the city's relief administration in distributing food and funds, 500 ragged poor stormed City Hall [on July 3] and jeered while Mayor Edward Kelly rapped helplessly for order. The demonstrators refused to evacuate and packed the spectators' gallery, chanting "We want cash." The hubbub reached its loudest when police reinforcements rushed up. Other squads were detailed to disperse a mob in the street. Their banners read, "Millions for relief. Not one cent for armaments" and "We cannot eat unemployment and starvation the bosses' way." Relief funds have been suspended since July 1. Although funds have been available, they have not been distributed because of failure to provide money to pay the salaries of those needed to carry on the work of relief administration.

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INSIGHTS

Zimbabwe, Scars of Independence Struggle Show in Repression

...ter is completing a three-year tour as ...shington Post's southern Africa corre-

By Glenn Frankel
Washington Post Service

...ARARE, Zimbabwe — We had driven ...or more than an hour on a half-paved road to Tsholotsho, a desolate outpost ...western Matabeleland where armed ...ts and government troops had been ...s each other — and the civilians in ... — for three years. Now we were stand... ...bare patch of hard ground in front of a ...n hut listening to a young woman with ... shivering baby in her arms.

...nist monotone, she described the night ...ngers came in a white Land Rover, its ...plates concealed, and took away her ... a schoolteacher, who was known as a ...r of an opposition political party. He ...me back and the government denied ...wledge of his whereabouts. Neither my ...e nor I had the heart to ask if she ...he was dead.

...e tell you about another mother and ...baby. She was standing silently in the ... of a small local hospital in Karoi in ...stern Zimbabwe, watching her tiny in... struggle for life in an incubation ma... ...efore black rule six years ago, the only ...machines for premature infants were ...s (195 kilometers) away in the capital. ... those babies died. This one lived.

...ome years I have watched and reported ...abwe, Africa's youngest country, wres... its ghosts and its destiny. While much ... has suffered bankruptcy and famine, ...e has retained its self-respect and a ...measure of prosperity. This has been ...d by cautious economic management ...d with a social conscience. Where once ... white minority ruled, now every adult ..., every child can go to school and every ...e a better chance at survival.

... have written of the extraordinary rec... ...on between white and black, the appar... with which Prime Minister Robert ...'s government has forgiven past sins ... behind it the bitter seven-year indepen...ar.

... same time I have struggled to under... ...by the same leader who has so readily ...ence with his former white enemies ...engineer a similar rapprochement with ...er black allies, the followers of opposi...ler Joshua Nkomo.

...CH year Mr. Mugabe has sent his ...troops, policemen and intelligence oper...tives into Matabeleland, ostensibly to ... dissidents who profess loyalty to Mr. ...even though he has disowned them. But ...rity forces' main victims are civilians, ...s of the Ndebele ethnic minority, who ...rtably intimidated, rounded up, tor...ed, sometimes, killed.

...year, too, Zimbabwe's frail institutions ... dissent grow weaker and more preyed ...en who were victims of torture and ... during the years of white rule now ... have adjusted easily to employing the ...pressive apparatus against those who seek to hold the government accountable for its excesses.

Why does this happen?

Part of the answer is that Zimbabwe does have a genuine enemy. South Africa represents a real threat to the country's future, and there is strong evidence that the government in Pretoria has armed at least some of the dissidents.

But much more of the answer lies in that supposedly forgotten independence war. While Zimbabwe's recovery has been little short of remarkable, the conflict left deep scars on all sides, and the brutal and corrosive impact of the violence still eats at the country's political soul.

Mr. Mugabe and many of his top officials spent a decade or more behind bars before joining their comrades in the bush. They felt betrayed by the British, who refused to bring Ian Smith's white government to heel, by the Russians, who backed Mr. Nkomo's rival forces, and by the West in general, whose sanctions campaign against the country, then called Rhodesia, was a half-hearted farce.

Their years in the bush made these former guerrillas sensitive to the needs and aspirations of the rural population that often hid and fed them, and whose support eventually tipped the scales against white rule. That goes far in explaining why the Harare government is one of the few in Africa to have committed substantial resources for large-scale programs to develop peasant agriculture, education and health.

But the way had other effects as well. Like most liberation movements, Mr. Mugabe's Zimbabwe African National Union became a hothouse of restless paranoia, hostility and conspiracy. Many died mysteriously, some at the hands of white assassins, others by the long knives of their own comrades. It is not surprising that Mr. Mugabe, the man who rode the tiger, cannot seem to climb down.

Paranoia is still a prominent feature of political life. The tendency to characterize political opponents as "enemies," the use of detention without trial and other emergency powers inherited from the days of Mr. Smith, the frequent rights abuses — all can be seen as legacies of a war that should never have been fought, and went on far too long.

Whether there is a lesson for the whites of South Africa remains to be seen. If white rule does not survive, does it mean that the longer South Africans struggle against black rule and the crueler they are, the more likely it is that those who come to power will have been radicalized and brutalized by the process of winning their liberation?

When you engage in war," said Willie D. Musarurwa, who spent nearly 11 years in prison before independence, "you brutalize everyone — the winners and the losers; you inculcate a military culture in everyone." He was removed last year as editor of the Sunday Mail newspaper in Harare because he did not sufficiently toe the official line.

The men who govern Zimbabwe still seem to be running a liberation movement rather than a government. With a few noteworthy exceptions, most are not professionals with careers to fall back on, and few stand out as men of unquestionable competence and performance.

Their insecurity is not assuaged by Mr. Mugabe, their demanding, austere leader. His wife, Sally, has told interviewers that her husband can go from cold anger one minute to total forgiveness the next. But others say they believe there is a core of controlled, cold rage inside Robert Mugabe that never forgives and never forgets.

THERE are many pieces in the Mugabe puzzle: his Jesuit background, with its rigid division between the saved and the damned; his feeling that, having lost a decade in prison and now aged 62, he has no time to waste in achieving his national goals; his dedication to Marxism, with its liturgy of class struggle and identifiable enemies; his keen intellect that won him advanced degrees while in prison and keeps him on top of developments despite the fact that his inner circle of advisers is thin.

One factor that remains largely concealed is Mr. Mugabe's need to placate the various power blocs within his ruling party and Zimbabwe's Shona-speaking majority. Divisions within these blocs are regional and tribal as well as ideological, and Mr. Mugabe's role is to hold together a consensus within a large and fractious family.

Focusing on "enemies," both domestic and foreign, is one way Mr. Mugabe can keep his factions united.

As a result, rather than wooing the people of Matabeleland, who constitute 20 percent of Zimbabwe's population, Mr. Mugabe's party seems intent on crushing them. The danger is that in the process it is creating a permanently disaffected minority — the very "enemies" Mr. Mugabe rails against.

In doing so, he has relied upon lieutenants like Enos Nkala, who shared a cell with the future prime minister for 10 years. Mr. Nkala is an Ndebele who joined Mr. Mugabe in breaking with Mr. Nkomo in 1963, bringing very few of his tribesmen with him.

But Mr. Nkala is a useful tool. Because he is an ethnic outsider with no power base of his own, Mr. Mugabe can rely upon his loyalty, and trust him in a way he cannot trust many others.

And Mr. Nkala is a hard man. He spent a total of 14 years behind bars, much of it in solitary confinement. It is an experience he refuses to discuss publicly, but the bitterness clearly runs deep. He locked up five of Mr. Nkomo's lieutenants last year, one of whom allegedly was tortured while in detention, and took apparent delight in threatening others with the same fate.

Mr. Nkala's reaction to torture allegations by Amnesty International and other human rights organizations is to deny everything and accuse the accusers of crimes.

Asked in an interview in February about contentions by Western diplomats that human rights abuses still occur, Mr. Nkala erupted. "You think we need these embassies and their foreign aid?" he asked. "We could close them down tomorrow, expel every diplomat, and Zimbabwe would still survive."

Many of Zimbabwe's friends contend that Mr. Nkala is an aberration and his elevation to the post of cabinet minister in charge of police is an error in judgment by Mr. Mugabe. But it was no mistake. In many ways Mr. Nkala and those who think like him represent an important part of Mr. Mugabe's strategy.

As time goes on, it is likely that civil liberties will be eroded even further, as they have been in most other African nations. The advent of the one-party state, which Mr. Mugabe is dedicated to achieving, will mean even fewer voices of dissent as well as further strictures on an already docile press.

For whites, this erosion of human rights is disturbing but probably not crucial. More than half of the white population of 250,000 has left since independence. Those who remain do so because the life remains comfortable, profits reasonable and — most importantly — there is no place else to go.

Mr. Mugabe, who has never pretended to like the whites, has always insisted he needs them. And his cautious actions over the past six years reflect his words.

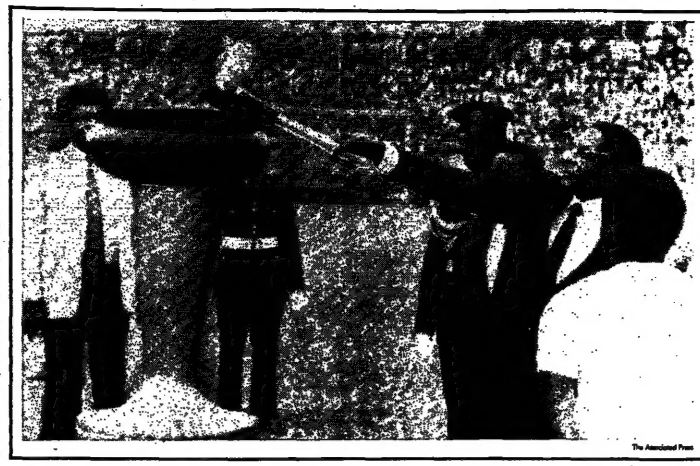
MANY Western diplomats and local businessmen are convinced that Mr. Mugabe will continue to show caution and pragmatism in steering the country toward his socialist goals. But it is less certain how he will deal with those he perceives as obstacles.

I keep recalling the fortom people of Tsholotsho and a bleak Friday morning before the parliamentary elections in June 1985 when Mr. Mugabe ventured there for a campaign stop.

He did not stay long in what he clearly saw as enemy territory. There were no handshaking forays into the sullen crowd that had been rounded up for the occasion. Others on the platform laughed and smiled and pretended to ignore the ugly atmosphere, but Mr. Mugabe was having none of that. Instead, he slumped in his chair, a grim expression on his face as he stared at the audience, then gave a 20-minute speech that concluded with a not-so-veiled warning.

Speaking of Mr. Nkomo's opposition party, the Zimbabwe African People's Union, Mr. Mugabe said: "If you vote for ZAPU you are voting to support dissidents. ZAPU will lose, and then where will you be?"

Mr. Mugabe's electoral prediction was correct — the country voted overwhelmingly for his party, while Tsholotsho gave a huge majority to Mr. Nkomo. And Mr. Mugabe's question hangs like a dark cloud over the promising experiment that is Zimbabwe.



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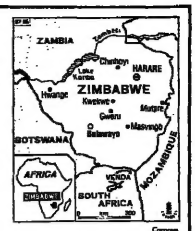

Prime Minister Robert Mugabe of Zimbabwe, lit a symbolic flame at ceremonies in April marking the sixth year of his nation's independence.

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U.S. Rebukes Marcos, Says Actions Conflict With Status as Guest

By John M. Goshko
Washington Post Service

WASHINGTON — The Reagan administration, rebuking Ferdinand E. Marcos in the sharpest terms since he was deposed as president of the Philippines last February, has denounced the unsuccessful coup attempt by his backers in Manila.

It warned that his political activity was "inconsistent with his status as a guest in the United States."

In statements Monday, the White House and State Department officials said that they did not know whether Mr. Marcos had incited the rebellion.

They added, however, that the administration did not intend to renege on President Ronald Reagan's pledge of refuge for Mr. Marcos or remove him from his exile in Hawaii, pending further investigation.

Some officials, speaking on the condition that they not be identified, said that in addition to the moral obligation inherent in Mr. Reagan's pledge, the problem of the continuing presence of Mr. Marcos in the United States is complicated by other factors.

They specifically cited the difficulty in finding a suitable refuge for Mr. Marcos elsewhere, and Manila's preference that he be in the United States while the Philippines pursues its efforts to recover millions of dollars that the administration of President Corazon C. Aquino alleges he stole from government funds.

These officials said the events on Sunday were interpreted here as a sign that the influence of Mr. Marcos has ended and that he should be regarded as a nuisance rather than a threat.

That point was underscored by a State Department spokesman, Bernard Kalb, who said: "We note the absence of any backing from the Filipino people for the attempted takeover. This is a clear indication that former President Marcos is part of the past of Philippine politics, and by now he should realize this."

However, Mr. Kalb and the White House spokesman, Larry Speakes, went out of their way to warn Mr. Marcos that continued attempts to interfere in Philippine affairs could force the Reagan administration to re-evaluate his status. In a statement by Mr. Kalb and reiterated later by Mr. Speakes, they said:

"Although we have not been in contact with Mr. Marcos concerning this specific incident, the United States repeatedly has made clear to him privately and publicly that his participation in partisan political activity is inconsistent with his status as a guest in the United States."

The administration could attach conditions to his status such as forbidding him to make calls to the Philippines or to have contact with his followers there. But State Department officials said Monday that Mr. Reagan and Secretary of State George P. Shultz believe, as one official put it, that "it is not the American way to tell anyone resident in this country who they can or can't talk to."

Another official said that in addition to serious health problems, Mr. Marcos has been suffering severe depression since his downfall and seems incapable of realizing that he no longer is president.

"That makes it very easy for his followers to convince him that he can make a comeback," the official said. "And that, in turn, makes it very difficult for us to deal with him. We wrap his knuckles, but he doesn't feel it. We talk to him, but he doesn't hear. It's like knocking on a door, but there's no one there."

■ Marcos Denies Coup Role

Mr. Marcos denied Tuesday that he had encouraged his supporters to rebel and said he was aware that events in the Philippines could jeopardize his status as a guest in the United States, The Associated Press reported from Washington.

"I am aware of that and this is why I say I categorically deny attempting to cause any rebellion, any sedition or any coup d'etat; nor am I engaged in destabilizing the Philippine government," Mr. Marcos said on U.S. television.

Mr. Marcos said that he was surprised by the revolt. He said that when he learned of it, he urged its leader, the former foreign minister, Arturo Tolentino, not to assert authority and told his backers to avoid violence and to go home.

However, Mr. Marcos refused to rule out future participation in Philippine affairs.

Yugoslavs to Try Reporter

Reuters

LJUBLJANA, Yugoslavia — A Yugoslav reporter, Tomaz Mastnak, is to go on trial here Thursday for writing an article critical of Prime Minister Branko Mikulic, court sources said Tuesday.

ANOTHER PLAGUE — Ethiopia, ravaged by drought, now faces the threat of locusts. In this United Nations Food and Agriculture Organization photograph, an Ethiopian attempts to make his way through a thick cloud of locusts.

AFP, Citing Big Loss, Plans to Cut 300 Jobs

Agence France-Presse

PARIS — The management of Agence France-Presse announced plans Tuesday to eliminate 300 jobs, or 15 percent of the work force, after the news agency recorded a loss of more than 63 million francs ($9.1 million) in the 1985 financial year.

Two hundred of the jobs would disappear over the next year, as part of a plan to reduce administrative costs and transfer editorial work out of the agency's Paris headquarters.

About half of the 300 jobs to be eliminated would be journalists' positions; the others would be in technical and administrative staff.

The five labor unions representing Agence France-Presse employees said they would vote Wednesday and Thursday on whether to strike, for how long and which national or international news wires should be affected.

Under the management plan, the agency's English-language desk in Paris will be split up, with 20 of its 46 journalists remaining in Paris. According to management, most of the others will be offered new jobs, under local pay and working conditions, at the agency's regional news desk in Hong Kong, and at a hub to be set up in Washington.

In addition, some editors would go to Cyprus to set up a regional news center for the Middle East.

The German-language service of Agence France-Presse would be transferred from Paris to Bonn, and the Latin American service would go to Washington. Most of the journalists on those desks also will be rehired under local conditions, the company said.

Several Paris-based French-language services would be eliminated or merged.

Within France, the number of staff reporters would be cut and more local correspondents hired. Working hours would be increased, and Paris-based editors would fill vacant posts in the provinces.

The chief executive officer of Agence France-Presse, Henri Pigeat, was directed at a board meeting to take the measures.

Mr. Pigeat said new services set up under the agency's 1983 development plan, such as its wirephoto service and radio news network, were performing satisfactorily.

But, he said, the company suffers from "excessive and out-of-date" centralization and overly heavy costs that cannot be recouped by increasing subscription rates.

The target for last year's deficit had been 35 million francs, just over half the actual figure.

Agence France-Presse is governed by a 1957 statute guaranteeing independence from the state.

Its 15-member board comprises eight representatives from the French press, two from radio and three from the staff and television, two from the staff and three from the government. Government agencies, such as ministries and embassies, provided 55.7 percent of Agence France-Presse's revenue in fiscal 1985.

JORDAN: *Expulsion Protest*

(Continued from Page 1)

alliance, because it plays into the hands of the Israelis."

Mr. Darousha was referring to Hussein's Feb. 19 decision to end his initiative for a joint Jordanian-Palestinian peace dialogue with Israel, which followed Mr. Arafat's refusal to accept United Nations resolutions implicitly recognizing Israel's right to exist within secure borders.

Palestinian leaders of varying outlooks condemned the move against the Jordanian offices of Fatah.

Anwar Nusseibeh, a former Jordanian defense minister and member of Jordan's parliament, said: "We are in need of unity and not division. In the final analysis, we, the people of the occupied territories, are those who pay the dear price for disunity."

Fayez Barakat, director of the East Jerusalem Chamber of Commerce, said: "We had been hoping that the Palestinian and Jordanian sides would get along to the point of an agreement, rather than reach a point of a major split. This is a tragedy."

Militant West Bank Palestinians said they were not surprised.

Ibrahim Karasem, co-director of the Palestine Press Services and publisher of the magazine Al Awdah, said: "It is naive to say that Israel and Jordan have just begun coordinating their strategy. They have been doing it for a long time. But it won't work, because no matter what they do to the PLO, the PLO will forever remain a symbol of the Palestinian peoples' aspirations for self-determination."

Arabic newspapers also condemned Jordan, with Al Shaab editorializing against "a certain indication that the Jordanian regime is getting closer to the hostile moves by the United states."

"It has been an Israeli-American demand for a long time to close the PLO offices," Al Shaab said.

RICKOVER: *U.S. Admiral Who Led Navy Into Nuclear Era Is Dead at 86*

(Continued from Page 1)

directly to Admiral Chester W. Nimitz, chief of naval operations, to enlist his support for the atomic submarine. Admiral Nimitz, a former submariner, approved the idea, and Captain Rickover became head of the new Nuclear Power Division of the Bureau of Ships.

In 1949 he performed what became a classic example of maneuvering against red tape. The Atomic Energy Commission was persuaded to create a Reactor Development Division and within it a Naval Reactors Branch. To head the branch it came up with Captain Rickover.

Wearing both hats, the captain sometimes wrote letters to himself asking for certain things. He would then answer the letters in the affirmative. There was virtually always agreement between the navy and the Atomic Energy Commission.

In July 1951, Captain Rickover was passed over for promotion to admiral. The next year he was passed over again, despite appeals for his promotion from the secretary of the navy, the Atomic Energy Commission and some admirals in the Bureau of Ships.

Since, in navy practice, an officer who has been passed over twice is generally forced to retire, it seemed that his career was over. But newspapers, the Senate Armed Services Committee and others raised such a furor that an other board was convened with tacit orders to promote Captain Rickover.

The navy's official explanation for its reluctance to make him an admiral was that he was too much of a specialist to meet the qualifications of a general flag officer.

Stories of Admiral Rickover's propensity for stepping on other people's toes and of his caustic tongue are legion.

He would upset other officers by wearing civilian clothes to testify at congressional committee hearings. Once a congressman asked him if he had prepared for hearings. "Yes," Admiral Rickover said. "I shaved and put on a clean shirt."

Admiral Rickover was born Jan. 27, 1900, in a part of Poland then under the Russian Empire. When he was 4 years old, his parents joined the wave of Jewish refugees emigrating to the United States. The family settled in Chicago, where the future admiral's father was a tailor.

In later years, Admiral Rickover developed a reputation for strong opinions, not only about nuclear submarines but also about education. He was an enemy of the progressive school. In his speeches and writing, he emphasized fundamentals.

He called for a complete overhaul of the American educational system, with increased emphasis on technological and science courses and special training for the gifted.

In 1980, President Jimmy Carter presented the Medal of Freedom to Admiral Rickover, who had been his mentor when Mr. Carter was a navy officer.

As he neared his 82d birthday, Admiral Rickover was eased into retirement by the secretary of the navy, John F. Lehman Jr.

The navy named a nuclear-powered attack submarine for Admiral Rickover, a rare honor since only two ships before had been named for living people.

Controversy followed Admiral Rickover into retirement. Congressional investigators in 1984 charged that he had received gifts of jewelry and other mementos from General Dynamics, the nation's largest military contractor and builder of submarines that had frequently been flayed by the admiral.

When the navy made known an investigation into the gift-giving, he denied any wrongdoing and said he had given away most of the gifts.

Admiral Rickover married Ruth Dorothy Masters in 1932. They had one son, Robert Masters. The admiral's wife died in 1972, and in 1974 he married Eleonore Ann Bednowicz.

WALDHEIM: *Former UN Chief Is Inaugurated as Austrian President*

(Continued from Page 1)

Rabbi Avi Weiss of New York, who was on the third day of a protest fast. "We stand before the presidential palace to tell Mr. Waldheim that the voice of moral conscience will haunt him wherever he goes," the rabbi shouted in English to a hostile group of Waldheim supporters.

Several elderly Austrians became agitated by the Weiss group, which included Beate Klarsfeld of France, the German-born crusader against Nazis.

"Speak German, you idiot!" a man called out to Rabbi Weiss. Another, alluding to the death camp pajamas, said, "First they made a big fuss about them and now they put them on themselves! They only want money."

As the six protesters threaded their way through the heart of Vienna to join another anti-Waldheim demonstration at the Stephansplatz, onlookers called out insults including, "Dirty Jews!" and "They should have all been gassed!"

"It was all the things that were said under Hitler," said Susanna Karlinger, 23, a Jewish law student at Vienna University.

In the Stephansplatz, as a thousand people cheered and laughed, Alfred Hrdlicka, a sculptor, unveiled a huge swastika-adorned wooden statue mounted on a truck and entitled "The Horse that the World Trusts."

Mr. Waldheim initially ran as "the candidate the world trusts," and when he denied that his membership in the Nazi cavalry corps as a youth had made him a Nazi, Fred Sinowatz, the former chancellor, remarked that only Mr. Waldheim's horse had been a Nazi.

"We have erected this horse," Mr. Hrdlicka said, "to warn against the loss of memory. The loss of memory has become almost a habit in this country."

The police ordered the organizers of the rally to remove the swastikas under a law that forbids the display of Nazi insignia.

A number of speakers at the rally, which had been organized by a coalition of intellectuals who call themselves New Austria, assailed Mr. Waldheim and the People's Party for exploiting anti-Semitic sentiment during the election campaign.

"We want to remind Kurt Waldheim," said Peter Turrini, a writer, "that there are still Jews in this country and that the campaign that elected him has brought physical and psychic danger to them."

"We want to remind him," he continued, "that fascism, the Holocaust and its terrible crimes were not only made possible by major figures but also by opportunists like him and those who just went along."

The rally in the Stephansplatz and a smaller one Monday night in front of the People's Party headquarters were the largest anti-Waldheim gatherings that have been held in Austria since the first questions about his war record surfaced in March.

Although the Socialist Party was involved in the initial research into Mr. Waldheim's past, it largely avoided confronting the issue during the election campaign.

At the rally Monday night, Adolf Frohner, an artist and an activist of New Austria, stood at the side of the crowd and explained that he was wearing a yellow star saying "Jew" on it "because the Jews are fearful again."

"People look away embarrassed when they see it," said Mr. Frohner, who said as a Christian he was "deputizing" for Austrian Jews.

"But I'm afraid in Austria there is going to be a lot of resignation and we will return to the ordinary agenda soon," he said. "We have learned too well over the years to look away and not see."

The Associated Press

Kurt Waldheim received the Grand Star of Merit for Services to the Republic, a traditional award for heads of state, from Rudolf Kirschläger, the outgoing president.

MANILA: *Analysts Assess Damage From the Unsuccessful Coup Attempt*

(Continued from Page 1)

lentino were mostly Marcos loyalists. They included several under investigation by the Aquino administration. None held an important post in Mr. Tolentino's new order.

Despite his obvious unease over the way the government was handling the insurgency and some other issues, Mr. Enrile rejected an offer to join a Tolentino government. Instead, he ended the uprising without serious violence.

General Ramos, who was with Mrs. Aquino on a trip to the southern Philippines when the Tolentino proclamation was made on Sunday, immediately swung his authority behind her government. So did other commanders.

Mr. Enrile said Monday that if the events that began the day before were observed closely, they would be seen as "a sign of strength of the government." He said that it showed the Aquino administration was not "a pushover government" and that it could handle any crisis.

Reactions outside official circles varied, however, with analysts differing over whether plus factors for the government outweighed negative ones.

A Western ambassador commented Tuesday that he believed the episode had strengthened the Aquino government and its credibility. He said the actions taken by Mr. Tolentino and his followers had "completely discredited pro-Marcos forces."

Other analysts were less sanguine. Jesus Bigornia, a columnist for the Manila Bulletin newspaper, said the Tolentino affair had adversely affected the image of the Aquino government, "in particular its stability," in the eyes of foreign governments and potential investors.

"The former," he wrote on Tuesday, "will ask why they should extend their aid, and the latter why they should risk capital, in a country where a coup d'etat is a weekend event."

A senior government official said he was worried that there would be a "growing perception that the fate of this administration is very closely tied to the temperament of the armed forces."

Mr. Bigornia noted that Mr. Enrile's role had left him "smelling like roses."

A foreign military attaché described the defense minister — who served for many years in the same post under Mr. Marcos and is regarded a shrewd and ambitious politician who would like to succeed Mrs. Aquino as president — as an "indispensable" part of her government.

Some of the officers supporting Mr. Tolentino said they did so because they felt the Aquino administration was making too many concessions to the Communists and ignoring the interests of the armed forces.

They asserted that this feeling was widespread within the military.

Mr. Enrile appeared to give some credence to this assertion when, justifying the offer of total amnesty to officers and men who left the hoist by no later than noon Tuesday, he said: "We have to be sure that we do not fragment the military organization."

Syrians May Seek Role in Freeing Hostages

The Associated Press

BEIRUT — Newly deployed Syrian troops may attempt to play a role in freeing American, French and British hostages held by Shiite Moslem and Palestinian militants in Lebanon, the newspaper an-Nahar reported Tuesday.

The report coincided with the posting of Lebanese and Syrian soldiers at Beirut International Airport in an effort to end domination by Moslem militiamen and encourage Western airlines to resume flights to Lebanon.

An-Nahar quoted an unidentified official as saying that the Syrian Army's return to West Beirut was partly aimed at releasing captives and destroying guerrilla bases.

"If Syria succeeds in achieving this," an-Nahar said, "it will regain its leading role in the Mideast by holding both the Lebanese and Palestinian cards" in future talks.

Five Americans, seven Frenchmen and two Britons are missing in Lebanon, as are one Italian, one Irishman and one South Korean.

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(Continued from Back Page)

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هكذا من الأصل

ARTS / LEISURE

...ndon 'Fidelio': ...eus ex Serban

...David Stevens
...ternational Herald Tribune

...DON — Something memo... might have been hoped ...the new production of ...'s "Fidelio" that Colin ...ose as his farewell to 15 ...usic director of the Royal ...d memorable it was.

...ot just that the world's ...pera audience showered ...boos during the curtain ...s at premieres don't mean ...d belabor. Davis is strong ...to take the slings and ar... ...ed at invisible colleagues, ...s even been known to boo ...r is it the end of the world ...f the critics belabored the ...n with such terms as "un... disaster," "catastrophe," ...nonsensical," "scandal... ...s" or "deaf to the music." ...en the audience, any audi... ...ssoved to open hilarity by ...scene of "Fidelio," some... ...s gone seriously wrong. ...erban, widely regarded as ...e most stimulating stage ...r around, later lamented ...ideas were "misunder... ...But a production that ...claiming is in deep trouble, ...gh this seems to be a case ...deas run amok.

...o" is an opera not like any ...has an ordinary period... ...ertto, a typical "rescue" ...t Beethoven seized on its ...emes and wrote transcen... ...usic powered by the ideals ...al love and human free... ...good performance of "Fi... ...ore an inspirational than ...al experience.

...clear from the start that ...oing to take a lofty line. ...e music began, the open ...ved a kind of warehouse ...— a universal prison with ...of all-white human forms ...overing figure of an angel ...rance, vengeance?). The ...ration for the scenic ele... ...Serban's designer, Sally ...ppears to have been Wil... ...ce — a contemporary of ...n and like him a visionary ...-Romantic. Other images ...odically descended from the flies and returned included embracing couples, angelic rescues, corpses suspended in the air.

Elizabeth Connell, in the title role, came on stage and changed into the male garb that is to get her incognito into the prison where her husband, Florestan, is held. As the overture began, she struck a resolute pose and held it, convincingly, until the first scene began. Indeed, one of the most convincing aspects of the first act was this statuesque treatment of Leonore/Fidelio — poses suggesting resolution, idealism, devotion and present high-mindedness. It could easily have misfired, but Connell pulled them off with utter conviction.

Less convincingly, Serban tried to raise the trivial domestic opéra comique scenes of the first act into something weightier. The spats between Marzelline and Jacquino had a nasty edge; did she have to burn Jacquino's hand with an iron to repel his flirtations?

Through the first scene of the second act this was a viable production, debatable, not entirely convincing in its striving for timeless imagery, but hanging together. Then came the "traditional" insertion of the Leonore Overture No. 3, which Serban accompanied visually with a Beethoven mask and a mimed scene of emiting children being crushed by police; hope versus repression. The notion that the intensely dramatic Leonore No. 3 requires visual aids of any kind is so bizarre it boggles the mind.

Then came the disaster — a final scene conceived as an allegory that might have been suitable for the Day of Judgment in a production of "Everyman" or a medieval church drama, with Beelzebubs and scythe-wielding angels of death. In the middle, holding what seemed to be the scales of justice, was the minister Don Fernando, a deux ex machina looking for all the world like Old King Cole.

In an interview after the laughter died down, Serban said he was "trying to express the real drama that takes place in the music." Top marks for understanding that, but not for trying to do what Beethoven had already done.

Somewhat lost in the uproar was an highly satisfying musical performance. Davis took a deliberate pace, but except for moments in which he seemed to wait for the production to catch up, it was solid and convincing and rarely ponderous. The two overtures in particular were delivered with eloquence and power.

The cast had no weak points. Connell does not have the vocal weight sometimes associated with Leonore, but its beauty of tone and breadth of phrasing this was a distinguished role debut. Florestan is still one of James King's best roles. Hartmut Welker was a suitably strong-voiced and black-hearted Pizzaro, and Gwynne Howell's Rocco was sonorous and almost comically terrified by his grim duties. Marie McLaughlin (Marzelline), Laurence Dale (Jacquino) and Franz Crass (Don Fernando) completed the cast.

"Fidelio," July 11, 15 and 19 (a Proms performance).

□

Also in the current Covent Garden repertory is a new production (jointly with the Aldeburgh Festival) of **"Midsummer Night's Dream,"** in which one of Britten's most magical scores is sympathetically delivered under Roderick Brydon's conducting. Christopher Renshaw's staging and Robin Don's designs — the central element is a large triangular scaffolding — were efficient rather than atmospheric. James Bowman and Lillian Watson as Oberon and Tytania, Stafford Dean and Alexander Oliver as Bottom and Flute, and Claire Powell, Felicity Lott, Kim Begley and Jonathan Summers as the quartet of lovers, stood out in the fine cast.

"Midsummer Night's Dream" July 10.

Clive Barda

James King as Florestan, shortly before his release from prison, in London "Fidelio."

Ontario's Shakespeare, Shaw Make London Look Exhausted

International Herald Tribune

SHERIDAN MORLEY

TWO native Englishmen, both long resident in Canada, are running major summer festivals in Ontario, involving more than 200 actors in 20 productions on 6 stages. Standards may be as varied as the repertoires (which run from Shakespeare and Shaw to Rodgers and Hart by way of Agatha Christie and Tom Stoppard), but there is a kind of buoyant energy and enthusiasm and goodwill that makes Londoners look exhausted.

In his first season as director at Stratford, Ontario, John Neville seems deliberately to have embarked on a program of reconciliation, restoration and rebirth, symbolized by his adventurous choice of three main-stage Shakespeares ("Pericles," "The Winter's Tale" and "Cymbeline") that seldom come high on any list of summertime tourist fare. He is also, and perhaps no less symbolically, suggesting that every picture has another face: thus with the Avon stage "Hamlet" we also get Stoppard's "Rosencrantz and Guildenstern Are Dead," while "Henry VIII" is paired with Robert Bolt's "A Man for All Seasons," and the Young Company on Stratford's Third Stage is doing a matched set of "Macbeth" and "The Resistible Rise of Arturo Ui."

The Hamlet/Rosencrantz double is intriguing in that it comes from two very different directors. Neville has staged a late-Victorian chamber production in Ibsenite mood that starts with a spotlighted prince (Brent Carver) softly crooning Ophelia's mad song — an intelligent idea, and one hilariously parodied on the same stage the following night when, in John Wood's production of "Rosencrantz," the spotlight shows the title characters in total geographic and social confusion peering into the outer darkness much like Holmes and Watson at the start of an already unfathomable mystery.

By no means all of either production works as well as that, though in the double act of William Dunlop and Keith Kinnicol the Stoppard dialogues come up wonderfully fresh while, in "Hamlet," Elizabeth Shepherd offers an unusually complex and intelligent Gertrude. But the proscenium-arch Avon company, which performs this efficiently neutral "Hamlet" and jokey "Rosencrantz," really comes into its own with a superb "Henry VIII" directed by Brian Rintoul. Conceived as a tense political thriller, it is a production dominated by what in air Canadian days and nights was the one performance I saw that was of truly world-class definition.

Strong though Leon Pownall is in the title role, this has never really been the king's play; instead, here as when Gielgud played it at the Vic more than 30 years ago, the tragedy belongs to Cardinal Wolsey, who has the best of the language, and not since Gielgud can any actor have got within range of the sonorous dignity and masterly cunning with which William Hutt inhibits the role. The long farewell to all his greatness at the end of the play is accompanied by an aging process whereby Hutt seems to add 30 years to his face and then allows it to crumble into sudden defeat until it becomes a death mask. A performance of this caliber is at once a joy and faintly unnerving.

On the main Festival Stage — which faithfully echoes the proportions of the original tent set up in this Stratford almost 35 years ago by Tyrone Guthrie — the company that is doing the late Shakespeare romance is also offering a "Boys From Syracuse" that falls apart because Ontario seems distinctly short on wingers and dancers.

As the festival in Stratford, Ontario, approaches its 35th birthday, an hour or so away at picturesque Niagara on the Lake another classical-and-modern summer drama festival is celebrating its quarter-century. The Shaw also boasts three stages (though together they seat only 1,500 people where Stratford can seat 3,500). Its policy, on an operating budget of roughly $7 million, half that of Stratford, is to perform Shaw and the works of any other playwright, lyricist or composer who lived and worked in his nonagenarian lifetime.

Its artistic director, Christopher Newton, arrived a few seasons ago (having, like Neville, served a long apprenticeship in other Canadian theaters) with the locally unpopular announcement that he had never much cared for Shaw. A small war was averted, however, and this season opens with a high-speed "Arms and the Man," played closer to the comic-opera tradition of chocolate soldier than usual and taking its entire tone from Sergius's declaration that life's a farce, a theory further explored by a production of Ben Travers's "Banana Ridge" on the same stage.

A few hundred yards up the street, the smaller stage of the Royal George has a rare revival (the first ever in Canada) of the Gershwins' 1929 "Girl Crazy." It, too, suffers from a lack of local musical men; the fascination here is to discover that "Embraceable You" and "I Got Rhythm" and "They're Writing Songs of Love" were all originally written to be heard in a one-horse Wild Western setting.

Back on the main stage, the most interesting and ambitious of all the Shaw productions I caught — and outside of "Henry VIII," the most intriguing and confident of all the productions I saw in Canada — is Newton's staging of Noël Coward's epic "Cavalcade." Working with Duncan McIntosh (they also staged "Girl Crazy" to rather less effect), Newton has achieved a production quite unlike the only other two that have been seen in professional theaters anywhere since the war. Farnham (1982) and Chichester (1985) used multitudes of local amateurs to swell such scenes as the funeral of Queen Victoria and the troop-ship departures to the Boer War and World War I, but this production, using an all-professional company of 40, manages to scale down an epic pageant to a coherent historical drama, one that underlines Coward's loathing of the mindless patriotism that his play is usually thought to be about.

Using documentary slides from 1900 to 1930, and a revolving stage, the directors have achieved a series of striking pictures: a bereaved mother going mad in Trafalgar Square during Armistice celebrations, a Victorian child sticking her hand through some railings as a funeral goes by, a final nightmare revolve into the chaos of the 1930s. This is a stage history of England seen as a foreign country with often unfathomable social traditions, and that perspective does "Cavalcade" nothing but good.

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...w 'Devil in Flesh' Film Doesn't Measure Up to Its Sources

...y Mark Hunter

...3 — Though Marco Bel... ...o's new film, "Diabolo in ...The Devil in the Flesh), ...ased on Raymond Radi... ...vel "Le Diable au Corps" ...ade Autant-Lara's 1946 ...laptation (also showing in ...turns its sources upside ...the process it falls below ...

...riginal story, set in World ...France, recounts an affair ...a student and the fiancée ...her at the front. It begins ...book of passion that the ...instigates and the woman ...knowing she will be de... ...by its consummation. In ...Lara's film, Gérard Philipe ...line Presle hopelessly vi... ...e code of their bloodied ...and are regarded as mon... ...the woman's powerful ...and the sharp-eyed com... ...Presle takes the inevitable ...ent on herself, for the sake ...ver who deserts her at cru... ...nents. When she dies after ...irth to the student's son, it ...ranged husband who con... ...child.

...llocchio's version the stu... ...e largely expressionless Fe... ...Pitzalis) pursues Giulia ...ka Detmers) to the court... ...here her fiancé is on trial as ...rier of terrorists. Watching ...he defendants make love in ...tiness' cage, Detmers liter... ...es Pitzalis, and the fun is ...

...heavy fun it is, void of the ...ss with which Autant-Lara ...ed Presle's seduction. ...its graphic sexual scenes is ...at caused a particular ...of comment since the film ...own at Cannes; during it, Pitzalis is reciting Lenin's biography. This is meant to set up a later dialogue, but it is both strange and silly, like the "socially redeeming" texts in 1960s American pornography. (Note that one of Bellocchio's sex scenes is borrowed from "Last Tango in Paris" and that none goes as far as Nagisa Oshima's "Empire of the Senses.")

Worse is a later moment in which Detmers mimes castrating Pitzalis with a pair of scissors. The gesture makes Giulia seem viciously crazy, while Bellocchio wants us to see her simply as someone who would go mad without sensual satisfaction.

Certainly the fiancé, who has the nerve to offer this dynamic beauty "a completely normal life" with a self-described "mediocrity," can't handle her needs. But he is so dull and unattractive that no observer could care if Giulia dumped him, as she eventually does in a more or less happy ending; no one, that is, but his limpidness harpy of a mother, and Pitzalis's father, who happens to be Giulia's former analyst and tells his son that if he had wanted, he could have slept with her too.

Bellocchio has borrowed Autant-Lara's device of repriising key scenes and lines to mark turning points in the story, in a blurting manner that warns you his film is not a comedy. And that is simply wrong, because if the triumph of youth, beauty and desire — which is the real subject of this version — isn't a comedic adventure, what is?

Plainly, Bellocchio seeks the tragic depth of the original, but instead he gives us the mock-heroic, kids-vs.-parents world of rock 'n' roll love songs, played like Wagner. How much more moving was the vision of Autant-Lara, whose later work was so savaged by critics such as François Truffaut. Autant-Lara's movie is slow, but it never releases you from its spell. It's still the "Devil" to see.

□

Those who profess to occasionally find in the works of Lina Wertmüller a hard-eyed look at the relations of power among men, women and society will be extremely disappointed by the Italian director's "Camorra."

The movie has a thuddingly cyclic quality, and not not only because it deals with the serial signature murders of Neapolitan mobsters. Every time one of them gets killed, Annunziata (the lovely Spanish actress Angela Molina) has just been or will soon be subjected to sexual assault. In between we are treated to barely varied sequences of her well-muscled choreographer-lover, Toto (the American dancer Daniel Ezralow), engaged in an activity equidistant from dance and discus throwing. (This, we take it, is meant to represent Art and Beauty.) A few turns around this track, and one could care less if the murders will trigger a mob war, let alone who committed them.

Along the way it's infuriating to see Francis Ford Coppola's dubious distinction (in "The Godfather") between genteel older mobsters and drug-crazed thugs trotted out as a saving moral grace. It's repulsive to have mutilated corpses rubbed into our faces, as if we had missed the point the first few times. And it's difficult to escape the conclusion that Wertmüller, who wrote the script, adores masculine violence. Why else would her heroine remain in love with a gangster (the often under-rated and here misused Harvey Keitel) who avowedly hates and abuses her?

The big surprise of the film — so evident that only Wertmüller's stupid cops could overlook it — is that the killings were committed by the mothers of Naples in vengeance for the drug deaths of their children. In a closing sequence, as the mothers go on trial, they exchange long, meaningful looks with their male children. The point — "Please, boys, don't grow up to be pushers" — would make more sense if Wertmüller had not shown in slavering detail that pushers have more fun, and women love them for it.

□

"Genesis," by the Indian director Mrinal Sen, began over a lunch date in New Delhi with Jack Lang, then the French minister of culture, and may well be remembered as one of the best co-productions Lang set in motion (involving companies from France, India, Belgium and Switzerland). One hesitates to call it a great film, but there is something great about it, an unashamed simplicity of character and story that suffices to reinterpret the theme of Paradise lost.

The setting is an Indian countryside devastated by drought. A farmer (Naseeruddin Shah) and a weaver (Om Puri) take refuge in an abandoned village, scraping out a proudly independent living by exchanging cloth for supplies provided by an avaricious trader (M. K. Raina). Their solitude is shattered when a woman (Shabana Azmi), her family destroyed in a flood, wanders into the ruins.

Sen and his uniformly excellent cast — especially Azmi, whose changes in mood seem to change her facial bones — convince us at first that, this time, two brave, honest men and a strong woman will build a new world and defeat their exploiter. That is precisely what raises the denouement to the level of tragedy, as the two friends enter into a struggle to the death for the woman. They have made the earth bloom and the woman pregnant; yet having gained everything, their only concern is who will possess it.

Sen's direction is at once patient and relentless, the duration of his shots guided by what happens inside a character. Ravi Shankar's rich and diverse music well counterpoints Carlo Varini's stark, bright photography, but thereby exposes the film's major flaw, an irrelevance of sequence that at times verges on the awkward. By no means, however, should you let this picky point keep you away from "Genesis."

□

"Opera Do Malandro," freely adapted by the Brazilian director Ruy Guerra from Bertolt Brecht and Kurt Weill's "Threepenny Opera," comes across as a series of missed chances. Transposed to a tough quarter of Rio de Janeiro circa 1941, its cast of crooked cops, hoods and whores, caught in a feud between Nazi sympathizers and America-fixtures, offers flashes of brilliance. But the film is not fun to watch; it has neither the savage wit of its model nor a coherent style.

Chico Buraque's original music relies far too much on the sentimental in what remains a cruel story. Claudia Ohana as Ludmilla, who carries off the pimp Max (Edson Celulari), is fascinating to watch, but the other characters are as broad and formless as the direction is tight.

Mark Hunter is a journalist who writes about cultural affairs in Europe.

Federico Pitzalis, Maruschka Detmers in Bellocchio film.

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Tuesday's NYSE Closing

Via The Associated Press

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Paribas	33323	7¾	6¾	7	+1⅛
Sperry	31234	75	72	75	+3
IBM	19610	149¼	145	149¼	+4
GenMot	16397	99¼	96	99¼	+1¾
AT&T	14429	34⅝	34⅛	34⅝	+⅝
Chrysler	14023	46	44⅝	46	+1⅜
Phillips	13363	25¾	24⅞	25¾	+⅝
Sears	13332	44⅝	43⅞	44⅝	+⅝
BellSy	12185	37⅝	36⅝	37⅝	+⅝
ITT Cp	10788	47⅝	46⅝	47⅝	+⅝
AdvMi	13431	59⅞	58⅞	59⅞	+1
WstMcA	9972	49⅝	48	49	+⅛
PanAm	13097	28¾	26¾	27½	+½
AetnLife	12734	54⅝	54⅛	54⅝	+⅝
IC Ind s	13472	24	23	23¾	−⅜

Market Sales

NYSE 4 p.m. volume	174,640,000
NYSE p.m. vol. cons. close	183,470,000
Amex 4 p.m. volume	17,090,000
Amex p.m. vol. cons. close	17,470,000
OTC 4 p.m. volume	137,164,000
OTC p.m. vol. cons. close	139,440,000
NYSE volume up	1,063,700,000
NYSE volume down	1,302,700,000
Amex volume up	1,290,000
Amex volume down	12,941,000

NYSE Index

	High	Low	Close	Chge
Composite	138.22	137.03	138.22	+1.21
Industrials	169.49	168.39	169.49	+1.34
Transp.	114.41	112.97	114.41	+1.37
Utilities	72.73	71.87	72.73	+0.63
Finance	166.38	164.47	166.38	+1.63

AMEX Diary

	Close	Prev.
Advanced	653	595
Declined	548	595
Unchanged	541	541
Total issues	1,742	1,731
New Highs	14	11
New Lows	1	1

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	378.61	−1.13	383.21	297.88
Industrials	388.84	−1.13	393.95	302.83
Finance	319.92	−1.19	323.72	258.29
Insurance	343.39	−1.12	347.52	277.42
Utilities	337.79	−1.29	339.43	283.98
Banks	336.52	−1.67	343.97	284.59
Transp.	334.57	−1.07	338.29	263.57

AMEX Most Active

	Vol.	High	Low	Last
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	91.89	−0.32
Utilities	91.64	−0.36
Industrials	90.74	−0.05

NYSE Diary

	Close	Prev.
Advanced	977	903
Declined	1,015	1,079
Unchanged	597	597
Total issues	2,609	2,579
New Highs	8	7
New Lows	60	42

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
July 7	256,375	454,945	24,161
July 6	342,575	598,925	74,047
July 3	290,572	511,225	22,954
July 2	318,791	474,893	3,457

*Included in the sales figures

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1828.13	1834.54	1794.69	1820.23	−18.22
Trans	745.05	745.98	742.36	743.81	−1.25
Util	197.30	198.95	196.61	198.33	−0.52
Comp	765.34	768.72	752.28	762.46	−7.43

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	221.31	218.71	220.80	−2.51
Transp.	176.17	172.77	174.43	−3.31
Utilities	120.96	120.09	120.23	−0.71
Finance	20.10	20.00	20.03	−0.07
Composite	244.66	239.07	241.89	−2.46

NASDAQ Diary

	Close	Prev.
Advanced	455	459
Declined	1,114	1,083
Unchanged	1,411	1,424
Total issues	2,980	2,966

AMEX Stock Index

High	Low	Close
356.71	355.00	356.71

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Lower in Heavy Trading

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed lower in heavy trading Tuesday despite heavy buying in the last half hour.

The Dow Jones industrial average, which fell a record 61.57 points on Monday, to 1,859.00, fell another 18.27, to 1,820.73.

Declining issues led advances by a 5-1 ratio among the 1,985 issues crossing the tape at 4 P.M.

Big Board volume rose sharply, to about 175.75 million shares, from 138.23 million Monday.

Prices were sharply lower in heavy trading of American Stock Exchange issues.

Pessimism over the economy and interest rates continued to grind down the averages, analysts said, but a late buying binge stirred hopes that a temporary bottom may have been found.

"This was a continuation of yesterday's debacle," said Jack Coulon of E.F. Hutton. "It had too much momentum to stop on a dime."

"We've seen some bargain hunting, a few rally attempts," said Anthony Woodruff of Kidder Peabody. "But nobody's going to be very aggressive until they see how far this selloff goes."

Newton Zinder of E.F. Hutton said the late recovery and the market's ability to stabilize after a weak start pointed to a possible bounce in the next few days, which could carry to the 1,840 level. "But after that we'll have another pullback."

Record Fall in London

United Press International

LONDON — Prices on the London Stock Exchange suffered a record fall Tuesday in response to Monday's record point loss on Wall Street. The Financial Times index of 30 top shares registered a record one-day drop of 30.1 points, to 1,317.7.

The losses wiped a record $8.22 billion off share values on the London Stock Exchange, according to a computer calculation by stockbrokers Hoare Govett.

Pan Am jumped 1¼ to 7, topping the actives. Traders said rumors were circulating that investor James Goldsmith may acquire the stake of Pan Am held by Resorts International. Pan Am said it could not account for the rise.

According to the rumors, AMR, down 1½ to 51¾, would eventually end up with the ownership. In a marketing pact reached last week, it gained the right to negotiate with Pan Am in the event Pan Am sells substantial assets.

Among big losers were a number of retailers, including Gap Inc., which slid 7¾ to 74½. Wal Mart 2¼ to 48, and Sears, Roebuck 1⅜ to 44¼. In one of the stock market advisories that was linked to Monday's selloff, the retailers were termed among the most vulnerable, after being among the strongest in the first-half rally.

IBM retreated ⅝ to 144⅝.

(UPI, Reuters)

NOTICE OF REDEMPTION TO THE HOLDERS OF

ECU 40.000.000

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11 1/2 % GUARANTEED BONDS DUE 1993

NOTICE IS HEREBY GIVEN that pursuant to paragraph 6(b) of the Terms and Conditions of the above Bonds and in conformity with the Fiscal Agency Agreement dated as of 9th August, 1983, ECU 4.500.000 in principal amount of the above Bonds will be redeemed on 9th August, 1986, at par (the redemption price) together with accrued interest thereon to said redemption date. The drawing has taken place on 11th June, 1986, in Luxembourg.

Serial numbers of the Bonds to be redeemed are set forth below on groups from one number to another number, both inclusive:

00001 - 00022	04030 - 04129	04527 - 04626	04643 - 04742
06218 - 06317	07438 - 07500	07601 - 07637	08217 - 08316
09436 - 09535	10320 - 10323	10424 - 10619	11676 - 11775
13925 - 14124	14726 - 14785	14886 - 14925	16514 - 16613
16635 - 16734	16937 - 17036	17132 - 17231	19672 - 19771
20221 - 20320	20286 - 20385	21792 - 21991	23757 - 23856
24438 - 24537	25168 - 25267	25623 - 25722	28446 - 28545
28696 - 28795	29700 - 29799	30854 - 30953	31616 - 31715
32080 - 32179	33456 - 33555	35542 - 35641	36166 - 36265
36694 - 36793	37061 - 37360	38814 - 38913	39090 - 39189
39264 - 39267	39368 - 39463	39637 - 39736	39823 - 40000

The following Bonds, called for redemption on 9th August 1985, have not yet been presented for the payment:

00180 - 00220	00952 - 00953	00978 - 00982	00989 - 01000	01004 - 01012
01052 - 01063	01084 - 01115	02481 - 02489	02495 - 02497	04416 - 04432
04436 - 04459	04470 - 04491	05907 - 06004	06006 - 06013	06022 - 06041
06048 - 06056	07501 - 07508	07513 - 07596	08076 - 08087	08089 - 08096
08100 - 08105	08110	08124 - 08151	08351 - 08373	08384 - 08385
08394 - 08410	08415 - 08425	08429 - 08434	08445 - 08450	10324 - 10371
10408 - 10422	10890 - 10896	10931 - 10935	10940 - 10941	10957 - 10969
10972 - 10979	11346	11352 - 11362	11367 - 11397	11402 - 11414
11417 - 11438	11443 - 11445	13365 - 13394	13414 - 13417	13462 - 13463
13915 - 13924	14786 - 14789	14811 - 14816	14830 - 14833	16236 - 16310
18634 - 18638	18644 - 18651	18719 - 18726	19108 - 19207	19534 - 19537
20487 - 20489	20565	21692 - 21772	21775 - 21778	21784 - 21791
22050 - 22062	22067	22130 - 22141	25103 - 25104	26667 - 26668
26681 - 26757	27033 - 27074	27081 - 27132	27573 - 27609	27611 - 27635
29578 - 29582				

Amount outstanding after 9th August, 1986: ECU 31.000.000,-

Interest on the Bonds to be redeemed will cease to accrue on the redemption date. On such date the redemption price will become due and payable on each of said Bonds and payment therefor together with accrued interest will be made at any one of the following paying agents: the office of Société Générale Alsacienne de Banque, Brussels branch, the office of Société Générale, London branch, the office of Crédit Suisse Zürich and the office of Société Générale Paris upon presentation and surrender of said Bonds with all coupons attached maturing after said redemption date. In the event that any such coupon is not so attached, the amount of said coupon will be deducted from the redemption price.

Coupons which shall mature on, or shall have matured prior to, said redemption date should be detached and surrendered for payment in usual manner.

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BY SOCIETE GENERALE ALSACIENNE DE BANQUE

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THE PRINCIPAL PAYING AGENT

(Continued on next left-hand page)

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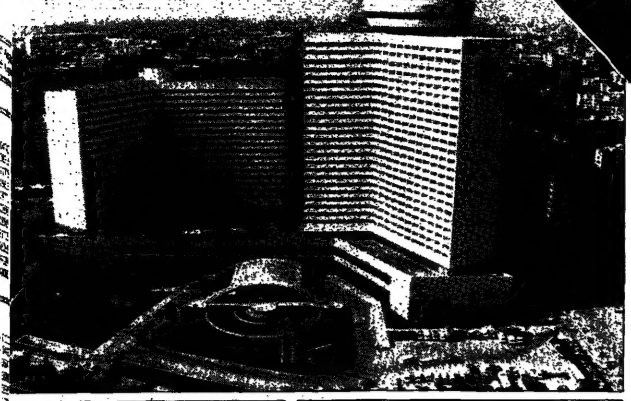
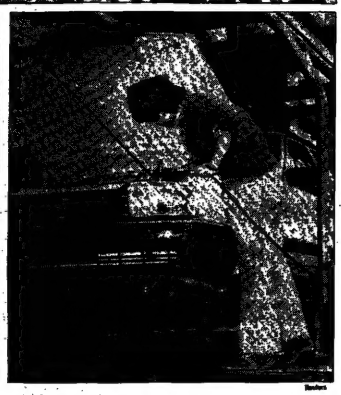
BUILDING BUSINESS IN CHINA

Beijing's retrenchment still leaves opportunities for careful campaigners: "Abiding mutual interest drives us ahead..."



Associated Press



Reuters

...ce of the changing face of China, clockwise from top: Hotels, such as Guangzhou's China Garden, are being built and equipped to meet ...eds of business travelers and tourists. An assembly-line worker at the Volkswagen plant in Shanghai puts finishing touches on an engine. ... And, in front of the Great Hall of the People in Beijing, a delivery cyclist pedals a cart laden with high-priced consumer goods.

VIEWS ON THE CHINA MARKET

...n businessmen may differ widely on the ins and outs of ...business in China, but they all agree on two points. One: ...opportunities are enormous. Two: So are the difficulties.

...his article, several foreign traders and officials offer their ...on China's business climate.

...ading Australian businessman, Bill Wyllie, spoke on the ... to an audience in Perth. He was most impressed by the ...f the economic turnaround now being attempted by the ...es of China's economy.

...ink of it," he said. "To wrench round more than a billion ... from a totalitarian, highly politicized and controlled state ...odern, fragmented, even capitalistic economy, all within a ...ars."

...spoke of "the magnitude, the characters, the sheer *excite-* ...f these events in China. *Up in Hong Kong*, you can feel it ...t it even before you cross the border. Any day of the week, ...n meet the new bankers, the new administrators, even the ...emi-private entrepreneurs that are surfacing out of this ...bly changing polity and economy of China."

...re the liberalizing policies going to work? Or would China ...le back into chaos? "For myself and for many of my ...ss colleagues, we see clearly a strong underlying momen- ...f development — good development, better goods and ...s, more goods and services and a whole new quality of life." ... emphasized the vast and varied nature of the Chinese ...ny. "If you think that one billion people just tinker at the ...subsistence agriculture and eat a bowl of rice twice a day, ...ou will never get your foot in the door." China, he said, is ...e market, but many. Nevertheless, it has certain overriding ...which are common — energy and transport in particular. ...en there is the introduction of new technology — or ac- ...of the *appropriate* technology for the pattern and the ...tion in China. You can't just offer a chunk of 'technology' ... shelf. China requires a thousand technologies," he said. ...ther has China got a great deal of room to *maneuver in* ...trade, he said. "The Chinese are seeking to ensure that ...is balanced with their foreign partners, because they ...sly intend to maintain, at all costs, their international ... They have seen what happens when a country over- borrows, and goes on wild spending spree — they know all about Latin America."

From his recent travels in China, Wyllie made these points:

- China's consumer durables industry is on the rise. One factory in Shanghai is making color TVs at state-of-the-art level and selling at $1,000 each — and they can't turn out enough. So there are opportunities for consumer goods, of specialized kind, and for some components for those goods.

But it is clear that China still intends to develop its own consumer production, even *if only as a protection for its* foreign reserves. Given the magnitude of the market, though, it is still an interesting market to speculate about.

- The raw material prospect is far from gloomy. China eventually will need massive amounts of materials, if it is to raise its standards of clothing, housing and gadgetry. Not all its agricultural or mineral resources are of top quality. Transport of raw materials to factories is often difficult.

- One great opportunity in trade with China is in services, such as engineering, consultation, hydroelectric expertise, and computing. Wyllie noted a growing number of scientific and professional consultants who were trying their hands in East Asia and China.

Another optimist is Jill Rigg, proprietor of a large Hong Kong secretarial agency specializing in assisting companies that are negotiating with, or establishing offices in China.

Working conditions have been improved recently, she said. There are more modern hotels and commercial accomodation in, for instance, Beijing. She warns that Beijing is still very expensive: "You must do your sums before starting an office there. Many prefer for the time being to set up in Hong Kong and commute."

- The year 1984 was a great improvement on 1982-83 in terms of activity and interest in the China market, she added. There was at least a doubling in the numbers of businesses taking an interest in that market. But last year, she said, the authorities began reining in the use of funds. "China still welcomes foreign investment, on certain stiffer conditions. Among the favored industries are electronics and high-tech, telecommunications, and modern

(continued on next page)

"China's new direction," U.S. Ambassador to Beijing Winston Lord believes, "is one of the boldest domestic ventures in modern history." Few would disagree.

A decade back, China was a state managed by rigid central planning. Today, "socialism with a Chinese face" features the *profit motive, private enterprise, local decision-making and foreign* involvement in a rapidly expanding economy.

And for many businessmen outside China, the "open door" promised the fulfillment of an age-old entrepreneurial dream — "If only I can sell one widget to each of China's one billion people..." Many have been disappointed. But, as Ambassador Lord said recently, change in China has been so dramatic that it is no wonder that serious problems arise.

The litany of complaints from foreigners attempting to do business in China is long and familiar. Their resident representatives meet heavy costs at every turn — rents, the cost of state-supplied personnel, charges levied on imported goods — all have made Beijing as expensive for foreigners as New York or Tokyo. Then there's the local workforce, which may not be as dedicated as foreign partners expect. Getting hold of the most basic raw materials — concrete to build a factory, for instance — can be an ordeal. Persuading local managers to manage, or local partners to fulfill the terms of minutely detailed contracts is a perpetual struggle.

And for those hoping to reap profit from selling to China's vast, savings-rich market, there's the newly discovered problem of converting mountains of non-negotiable *renminbi* into exportable foreign currency.

If foreigners eyeing the China market wanted a cautionary tale, they might examine the case of Beijing Jeep. The U.S. $51-million showcase joint venture between American Motors Corp. and Beijing Automotive Works is among the earliest and largest Sino-U.S. enterprises.

China is desperately short of quality vehicles and eager to upgrade its domestic industry. Beijing Jeep was conceived as a contributor to both needs — assembling U.S.-made kits of Cherokee jeeps, educating Chinese auto-engineers in modern methods, and eventually, designing and producing a new Chinese vehicle.

Even the relatively straightforward task of assembling Cherokee kits was not a great success. Chinese workers average 88 man-hours for each jeep, compared with 32 man-hours in the United States. But this was the least of the joint venture's problems.

Late last year, local customers for the U.S. $19,000 Cherokee stopped paying their bills, or sought to pay them in renminbi. Since the venture must pay for the kits in hard currency, there were serious doubts about even its short-term viability.

But in May, after several months of high-profile protests and senior government intervention from the U.S. side, a solution was reached. Beijing Jeep now aims to produce, and sell in China for hard currency, 4,000 vehicles this year, with a target of between 30,000 and 40,000 by the end of the decade.

As instructive as the headaches (caused by China's foreign currency squeeze) is the fact that a solution was reached. In many respects Beijing Jeep became a test case for the future of foreign involvement in China — a consideration not lost on the country's reformist leadership — and the readiness to bite the bullet backed up to repeated assurances that, temporary setbacks notwithstanding, China's "open door" will remain open to the West.

Business *can* be done in China. The important thing to understand, says one U.S. entrepreneur with no regrets about involving himself there, is that "China is not America, or England, or France, or anywhere else. China is China, and the challenges there are peculiar to this place and time."

Still, it is worth bearing in mind that, like a prospective business partner anywhere, China must perceive and derive benefit for itself from the arrangement. This can mean selling or producing things the country needs, transferring skills, technology, goods or services the country is keen to acquire, and developing the products and markets for export that will help restock the country's depleted foreign currency reserves. These considerations are universal — after all, no country invites foreign involvement unless it sees the prospect of a return.

So, how is China different? Of overriding importance is the novelty of foreign participation in the Chinese economy. When Beijing opened its doors in 1979 its habits and attitudes owed more to the Soviet Union than to Western-style capitalist free enterprise.

Seven years on, the country is still trying to evolve legal, managerial and planning frameworks to accommodate Western and Japanese needs. Much of what is done is experimental, while the whole is colored by memories of the wholesale exploitation to which China has previously been subjected. "We have been plundered in the past," says one Chinese official, "and we do not wish to be plundered in the future." In short, carpetbaggers need not apply.

Everyone else should be equipped with two essentials — time and adequate capital. Those whose ventures into China fail have usually been short on both.

Simply maintaining an office in Beijing costs upwards of U.S. $250,000 a year, and few who have plunged into the China market can boast quick profits. The giant Coca-Cola company, with four canning and bottling plants operating in China, boosted sales 130 percent last year, but anticipates another three to five years of hard labor before its China operations break even.

Japanese corporations, which have captured a third of China's foreign trade, owe their success to a willingness to live with high costs as they aim to maximize market share in the long term.

The likes of Sanyo and Sony were advertising their consumer durables in China long before they were available to Chinese customers. But by the time the Chinese were shopping for TVs, radios or washing machines, those were the names they knew and the brands they chose. "For the time being," says Ogilvy and Mather's Harry Reid, "Western *multinationals* must either put up or shut up — the horizon must not be December 31st."

That said, there are still ways in which foreign businesses entering China can make life easier for themselves.

Language skills: "Japanese businessmen don't turn up in Europe or the States speaking only Japanese and armed with brochures in Japanese," says one old China hand. "So why do people imagine they can function in China without Chinese? It's a waste of time giving them brochures in English — who's going to translate them? They'll just gather dust in a corner."

Though there are notable exceptions, many translators are inadequate, sleeping over difficult phrases and missing vital nuances. The only solution is to have Mandarin speakers from within the company. More than 80 percent of Japanese doing business in China speak Mandarin, but fewer than 40 percent of Europeans. The comparative results speak for themselves.

Negotiations: Chinese negotiators are no pushovers. Far from it. They are masters in driving the hardest bargain they can achieve. This does not imply table-thumping unpleasantness, but rather clear thinking and boundless patience.

One recent study revealed that foreign companies spend less than 40 percent of their time in China negotiating. Their Chinese counterparts spend 80 percent of their time with potential foreign investors engaged in negotiations — much of it during non-formal, ostensibly social meetings. By the time actual, formal, talks begin, important gains may already have been made.

Friendship: "In the West," says on U.S. manufacturer in China, "we are accustomed to doing business in a very impersonal way; we meet another businessman, make a deal, and then go about our own business. Most often there is no element of friendship whatsoever. In China this situation is reversed."

The importance of personal relationships *(guanxi* in Mandarin) cannot be overemphasized. For most Chinese officials, the real reward is the pleasure of human contact and the feeling that they're helping modernize China. Foreigners who take the trouble to build a relationship (and demonstrate a concern for China's welfare) *often get the inside track.*

Of course, it's as important to know the powers and responsibilities of individual officials as it is to take an interest in their personal and family affairs. But for the Chinese side, the foreign businessman is the embodiment of his business, and he, rather than an abstract legal document, must be the repository of trust and confidence.

Contracts: The shorter the better. China has still to work out a system for the effective arbitration of disputes between local and foreign partners, and the Western concept of the "rule of law" has still to take root. So, demanding that Chinese enterprises stick to the fine print of a voluminous document is usually time and effort wasted. It should be possible to lay out, simply and specifically, the terms of cooperation in a document of a few pages.

Training: Though China's human resources are as good as any, habit and experience are often very different from those that Western businessmen are used to. Punctuality, quality control, enthusiasm, readiness to make decisions and accept responsibility are all concepts at odds with the norms of recent decades.

Few foreign concerns going into China will be able to select their own workforce, and many of those recruited by the Chinese side would be adjudged unsuitable by a foreign personnel manager (not the least of the problems is that established enterprises hang on to their best workers). Time and effort devoted to training will need to be greater than elsewhere.

If it sounds like an uphill struggle, it probably is. Both sides are to blame. The Chinese too often imagine that foreign companies are fabulously wealthy and can be squeezed for every cent. Foreigners, too, often delude themselves that an easy fortune is waiting for them inside the "open door."

For now, at least, the heady days of 1984-85, when China indulged itself in a massive spending binge on imported luxuries (automobiles, TVs, washing machines, etc.), are over. But the country remains committed to foreign participation in its economy. Its priorities are the transfer of technology, the upgrading of China's domestic industries, and manufacture for export. Anyone who can contribute to these goals is welcome and, provided they take a long-term view, can expect to make money.

Beijing has tended to exaggerate just how much foreign investment its reformist policies have attracted over the past seven years. The truth is that some 80 percent of the U.S. $17 billion or so that gone into China has come from "compatriots" in Hong Kong and Macao. Official publications speak of 6,600 enterprises agreed on, but fewer than third of these are actually in operation. Many of these ventures are in light industry or services — not really what modernizing China had in mind.

But for all the hiccups, abrupt changes of policy on taxation and residual apprehensions that China after Deng Xiaoping could once again change course, foreigners involved in China believe that things are looking up.

The learning process — on both sides — promises to be long, arduous and sometimes acrimonious. China isn't going to be a place to get rich quick anytime soon. But for those foreign entrepreneurs willing and able to help enrich China, exciting opportunities exist. "The general direction," said U.S. Ambassador Lord, "is clear. Abiding mutual interest drives us ahead."

Tuesday's NYSE Closing

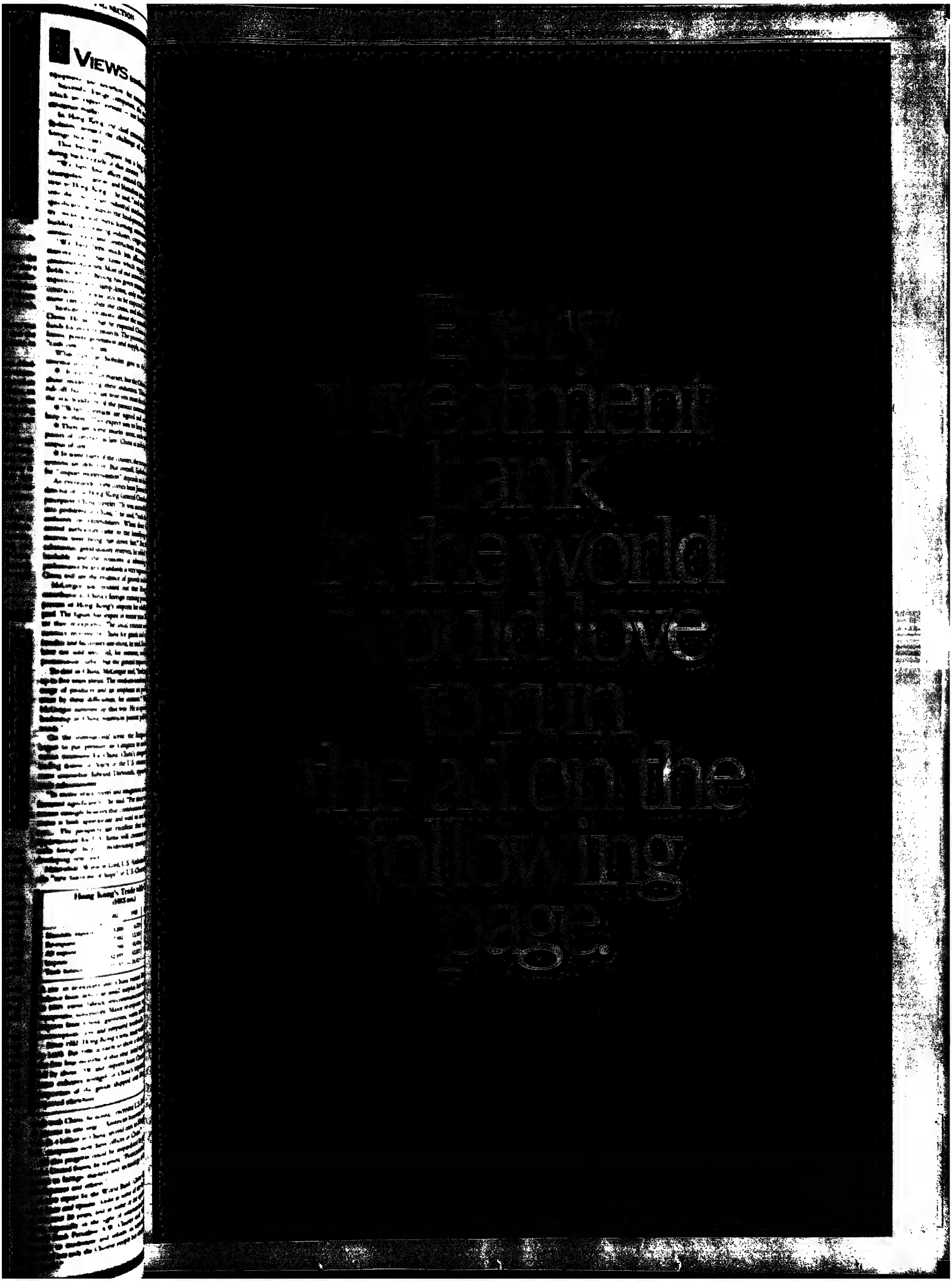
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

NYSE Highs-Lows

NEW HIGHS 8

Airforwarding of America	Chrysler Corp.	Commercial Metals	Forbes Inc.	Interpool Inc.
Adobe Res.	Airbrook	Airfreight	Airfreight of Chicago	Amerihost
Am Cable	Airfreight wt	Airfreight of Chicago wt	Amerihost wt	Amerihost wt
Am Int Bkshs	Cmnwlth Edison	CRI 10.11%	Cmnwlth Edison	Cmnwlth Edison
Brockville	CWT wt	Cmnwlth Edison	Fortune Sys	Fortune Sys
Cmnwlth Edison	Fortune Sys	Fortune Sys	Interpool Inc	Interpool Inc
Cmnwlth Edison	Interpool Inc	Interpool Inc



Entertainment bank to the world in love with Hong Kong

See page 9

There are currently over 50 major investment and commercial banks in the world.

Of that number, a mere handful were selected to submit proposals for financing a massive electrical power project for Huaneng International Power Development Corporation to meet the future needs of the People's Republic of China.

And of that handful, Chase emerged as the lead bank. Because it offered a combination of characteristics no other bank in the world possessed.

First of all, there was Chase's strength and size. And its true global network. Important because the financing would eventually involve multi-national participants, including a syndication of 19 banks.

Chase also offered specialized knowledge in the power generation industry. This was invaluable to General Electric, a long-standing client, and the company that put the consortium together.

Chase was also able to provide an

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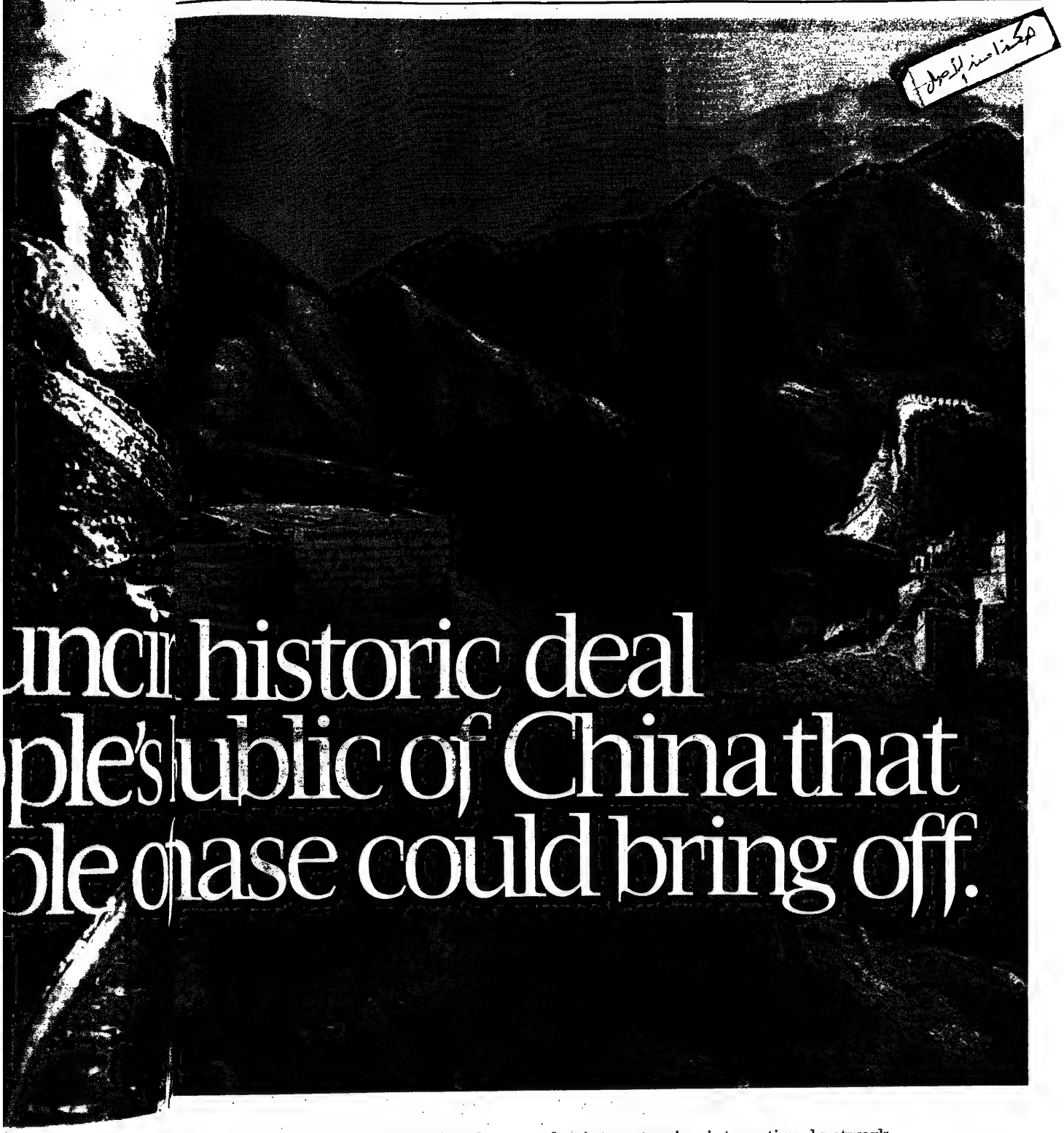


fective integration of commercial and vestment banking skills (an approach hich is fast becoming a model for the dustry).

And, of course, there were the Chase eople. People with expertise in all fields, om swaps to trade finance to electronic anking to mergers and acquisitions. Peo- e capable of working in partnership with eir clients and each other. A network of ankers able to act quickly.

This total global banking capability that integrates size, international network, specialized industry knowledge and the broadest range of investment banking products is what sets Chase apart from other financial institutions in the world. It's why we were selected for the China project, and other commercial and investment banks weren't.

Fully integrated global banking capability. Experience it for yourself on your next deal.

No matter how complex it may be, one thing is simple. Which bank to choose.

CHASE

China's Changing Legal System A Source of Concern

In 1974, a group of foreign jurists visited China, then under the Mao administration, to study the legal system. The jurists found it strange ("a return to a much earlier form of justice," one said).

Formal courts were more or less deserted, and the profession of attorney had vanished. The group found the implementation of law and punishment had devolved down to smaller tribunals, or even to street committees, and few deliberations had to be reported up the system. These tribunals were not furnished with statute or "common" law to guide them, but with social and political philosophies, the group reported.

These lower "courts" were thus encouraged to design their own law, and exact their own penalties, suited to the local circumstances. The seriousness of each crime or misdemeanor could vary with the times and with the locality. The jurists found that a culprit would also be judged by a far wider range of considerations than is now common in most legal systems: his character and political stance might well be paramount. To some outside observers, the Maoist system had parallels in tribal law, as administered under colonial rule, for instance in Africa, where metropolitan law was applied in some cases, local village traditional law in others.

But the great gap in such a system is commercial law. This system may suit a self-sufficient and/or insulated economy. But once foreign trading relations become significant, a whole body of business law must be established, one which will not seriously conflict with the existing international corpus.

Hence the task of the new Chinese administration as it opened its doors to foreign trade and investment. A regimen of commercial law must be reconstituted (tax law alone had totally decayed). The attorney profession has to be rebuilt, and the courts refurnished with skills. Over the period of liberalization, Beijing has created a network of commercial courts, and has trained some 20,000 "economic law" personnel. But more are needed, as is a stable body of law for the courts to administer and the personnel to practice.

Only in March this year was a basic legal framework adopted by the National People's Congress in Beijing, which governs domestic and foreign economic relationships. Previously, the Deng reforms had appeared in the form of policy documents.

The new civil code, involving more than 150 articles, is only a start. Basic rules as to the status and capacity of individuals, partnerships and companies are included, but in a somewhat generalized form. It is as if the Western company legislation of the 1860s had to be written all over again from scratch.

Since China is now courting foreign trade and investment, there are many areas where the law will take some time to settle down. For example: what law shall apply where a contract involves more than one country? How shall conflicts of law be handled? What special laws shall apply to the "free trade" zones?

China has an existing body of internationally accepted business law to study, but there are still many details to ponder. Even internationally accepted law is perpetually in the process of change. Such old rules as *caveat emptor* are being abolished in many ways, and old traditions and laws of banking confidentiality are under attack.

The Chinese authorities are fully aware of the problems. At a recent forum on joint ventures in Beijing, Zhu Rongji, vice-minister of the State Economic Commission, said that some joint ventures have suffered because of China's inexperience, insufficient preparation, inadequate consideration of the nation's serious foreign exchange problem and old management methods.

The government, he said, has now set up a "coordination center" to help joint ventures solve business problems. Zhu added that the government was working out rules to implement regulations announced in January on joint-venture foreign exchange dealings. Further measures, he said, would be taken to help joint ventures achieve foreign exchange balance. And he promised that joint ventures would have full autonomy, particularly in regard to staffing (there have been some complaints that the right to dismiss workers is difficult to apply).

At the same time, Zhu appealed to foreign partners to play their part in helping to solve the problem of the balance of foreign exchange payments, and the threat to the reserves. Today's joint venturers were pioneers who must bear some risks, he said, but China was trustworthy and doing all it could to eliminate problems.

Hu Yaobang, the Party General Secretary, was also apologetic on his recent European tour. Speaking in Bonn, he acknowledged to German businessmen that there was still some dilatoriness and buck-passing in the administration. "Frankly," he continued, "I am even more unhappy with such a state of affairs than you. We are making great efforts to get things improved."

Chase Paves Major Inroads into China

To organize a project of great magnitude in China may well be beyond the capacity of a team from a single participating company. For instance, to contribute significantly to China's drive to expand and improve its infrastructure — transport and communications on land, at sea and in the air — then a consortium with many interests must be gathered and shepherded through the stages of feasibility, proposal and agreement.

Somewhere along the way a bank is a crucial element. An example is Chase Manhattan, which is building up experience and expertise in China. Recent activities by Chase include the organization of a financing package for the purchase of turbines by China. The turbine contract involved not only the suppliers of the equipment but also the export credit agencies of the countries of origin. It was necessary to form a separate organization called Hua Neng, which reports to the Central State Council in Beijing, to accelerate the electrification of China from sources in the U.S. and E.E.C.

Chase also secured the agreement of a leveraged leasing plan for the Civil Aviation Administration of China (the state airline) to buy five Boeing 757s. These aircraft will be used on the rapidly modernizing regional airline systems. CAAC has a substantial re-equipment program going on, both internally and — in due time — internationally. Chase also helped China's new investment bank, CITIC, to issue fixed-rate bonds on the Hong Kong market (the first capital-raising operation of that kind).

Chase is thus strongly represented in two of the priority areas of China's development plans — power and transport. "These are the emphases of the five-year plan," said Chris Marlon, a senior vice president of Chase in its Hong Kong office. "Railroads and telecommunications are high on the lists, these being the elements that China wishes to provide for the support of the industrial base. This is fundamental."

Chase has introduced a number of multinationals into China, given them assistance in market research and advised corporate teams on their visits, including advice on negotiation and consummation of contracts. One of the important steps for the newcomer corporation, Marlon said, is getting to know the "hierarchy of ministries" involved in the goods and services that the corporation is buying or selling. A successful deal "will take long, and it's not easy, so one must have patience and persevere."

Concerning the squeeze on foreign exchange spending by China, Robert Schenck, Chase vice president for PRC wholesale banking, said: "The squeeze that China is imposing now will continue for some time, until it reaches an export capability to put the balance right." That said, both he and Marlon are optimistic about China's foreign trade relations.

Some large projects in China, especially in mining and heavy industry, require that a firm be well up on current technology. Some have come to grief because they were based on inferior systems or equipment.

One company which has avoided this trap is Voest-Alpine of Austria. Voest is an acronym for United Austrian Steel. It perfected the LD (Linz-Donauwitz) oxygen-blast steelmaking technology. Still very much research-based, Voest was one of the first Western companies to get involved in large-scale projects in China during the Mao era, in 1966-67, when it was involved in a steel mill in Taiyuan.

The company has offices in Beijing and Shanghai. "Our strongest area is iron and steel, of course," said Anton Ofner, Voest's regional director for China and Hong Kong. His company has contracts in four industrial cities of China, centering on continuous casting capacity of high quality. Supplies include not only machinery but also analytical equipment, as well as staff training.

Voest also supplies underground mining systems in the form of rotary-head mining and tunnelling machines, of which China is now operating fifty. "We are the market leader technology-wise," Ofner added. What are the reasons for Voest's success? "I think it is a combination of a number of factors," Ofner said. "But first you have got to be willing not only to sell equipment but also to transfer the technology and skills. This is what we do."

Priority Areas: Airlines, Power

Chase Manhattan's choice of airline development and power generation for its financial and organizational expertise in China is founded on clear evidence of the priority given to these sectors of the economy.

The task of modernizing China's aged communications is a daunting one, but the Beijing authorities are conducting a blitz on this sector.

The national flag-carrier airline, CAAC, plans to add this year 30 large-capacity jets to its existing fleet of 460, including just the sort of medium-size airliner that Chase is helping to finance. The plan is not designed solely for tourism — domestic air-freight and interprovincial travel are making increasing demands on the capacity.

Indeed, partly because of the poor quality of land travel and transportation in several areas of China, carriage by air is the quickest mode to develop, even at initial economic cost; transportation economists point out that bad transport is costly transport, because it wastes the most valuable factor of all — time.

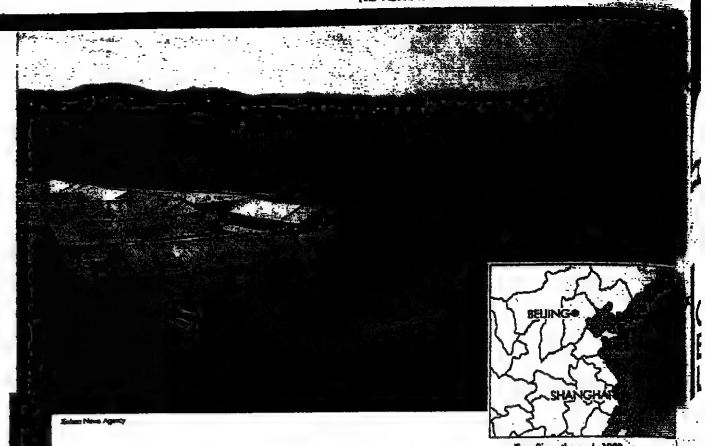
CAAC already has over 180 domestic routes in operation, carrying about 6 million passengers last year, and 24 international air routes, flying to 18 countries.

But an even larger prospect opens up for China's development of power sources. In some areas of China, the drive to expand and improve industry, modernize the railways (barely 4 percent of the track is electrified) and upgrade technology is being held back by "brown-outs" — pressure on the wheezy generating capacity.

Visitors to Shanghai will note that some large factories operate not to attain volume production so much as to take advantage of hours when a brown-out is less likely to occur.

Power production in 1984 was 377 billion kilowatt-hours, but spread over the billion-plus population, that is well below a viable level. So, in the two priority sectors, no less than 40 percent of China's planned investment in capital construction is devoted to energy and transport, according to official analyses. Over a third of all key construction projects are in energy alone. Chase Manhattan's conclusion of the power finance negotiations with China has been announced with a flourish — a "historic deal," because it involved a syndication of 19 banks and a consortium of multinational corporations round the world.

It is also notable that in order to bring to together this wide range of participants and organize their work into a large number of projects, China has chosen the separate-corporation method, establishing a semi-independent entity, answerable only to the central State Council in Beijing, instead of routing the work through government ministries at both central and municipal levels.



Top: Since the early 1980s, new housing for agricultural and other workers has been built steadily throughout China's countryside.

Xinhua News Agency

Dalian Pursues Overseas Markets

Dalian, located in Liaoning Province in northeastern China, is one of four cities, with Tianjin, Shanghai and Guangzhou, selected in September 1984 for priority development. Dalian is an established industrial city with a population of 4.8 million and a strong industrial base. The main exports of Dalian are native produce; canned foods, light industrial products, arts and crafts; textiles; garments; chemical raw materials; oil by-products; medicines; metallurgical products (metals and materials); tools, machinery and machinery equipment.

The port of Dalian, China's second-largest port, handles the bulk of the imports and exports of the northeastern provinces of Liaoning, Jilin and Heilongjiang.

At present, Dalian exports its goods to more than 80 countries around the world.

More than 40 overseas companies have established offices in Dalian so far and the city continues to receive a constant stream of overseas businessmen.

This port city is placing great emphasis on foreign investment and technology transfer as well as export marketing. Between 1979 and 1985, 213 contracts were signed, worth U.S. $318 million for foreign investment projects in Dalian. Another 840 contracts, worth U.S. $380 million, were signed for technology transfer.

An example of the wide variety of exports from Dalian is an important additive in the chemical industry, in chemical fertilizers, paper-making, rubber manufacture and building materials which is extracted and processed in the city.

The product — caustic-calcined magnesite powder — is produced by the Dalian National Minerals I/E Corp. and shipped abroad to Europe, Asia and the U.S. in bags weighing 25 kilos or one metric ton.

In addition to being the only gateway to northeastern China and the eastern regions of Inner Mongolia, Dalian is the exit point for primary produce from the vast northeastern territory.

This region's temperate climate and regular rains produce cereals, fruit and vegetables in abundance. Nearby seas provide a variety of seafood.

The Dalian branch of the National Cereals, Oils and Foodstuffs Import & Export Corp. coordinates the export of primary produce, fresh and preserved, from Liaoning Province and neighboring provinces.

Shandong Province. Well-known around the world for Tsingtao beer, this province also excels in many varieties of fruit and primary products.

With an area of 153,300 square kilometers bordering the Yellow Sea, the province enjoys a mild climate and varied terrain highly suitable for raising livestock.

The Shandong branch of the China National Native Produce & Animal By-products Imports & Export Corp. handles all native produce and animal by-products exports. Among the range of products are gym exercise products made from rubber, including sandals and other exercise equipment, as well as rubberized carpeting.

The province has a high reputation for its woolen Quindao carpet, now available with rubberized backing and said to be waterproof, fireproof, insect-proof and to provide excellent insulation.

Handy Bags & Fashion Bags —From Guangdong, China—

The Guangdong Branch of the China National Arts & Crafts Import & Export Corporation is responsible for exporting many different articles made by skilled craftsmen.

Among the high ability products which this Corporation exports are a range of practical and fashionable handbags.

Some of the styles we have available include beaded bags; metal wear bags; bags made with brocade and embroidery or from leather, P.P. Straw and natural woven straw.

We also have nylon and canvas bags, P.U. PVC lady's bags and bags made from cotton and polyester.

If you would like more information about the bags we export, contact us today. We'll be happy to provide further details and prices.

China National Arts & Crafts Import & Export Corporation, Guangdong Branch.
2, Qiao Guang Road, Guangzhou, China.
Cable: "ARTCANTON"
Telex: 44379 KCACB CN

Animal By-Products Fair

TRADE PARTNERS WELCOME

The Shandong Animal By-Products Trade Fair will be held at *Hamburger Strasse 11, D-2000 Hamburg 76, Federal Republic of Germany from 8th to 12th, September, 1986.*

This fair is organized by *The Shandong Animal By-Products Branch of China National Native Produce and Animal By-Products Import and Export Corporation.*

Products for export discussion:
1. China-made 'SEAGULL' brand woollen carpets.
2. Fur and fur products.
3. Leather and leather products.
4. Bristles and bristle products.

Executives from trade and industrial circles all over the world are warmly invited to attend this important event.

Person to contact: Mr Sun Chang-yi
China United Trading Corp., GMBH
(China Trade Centre in West Europe)
Shandong Division
Address: Hamburger Strasse 11,
D-2000 Hamburg 76,
Federal Republic of Germany
Telex: 211335 CUTC D
Tel: (040) 22702036

UES
ARKETS

CHINA'S BEST BET: CAUTIOUS LIBERALIZATION

[illegible] discovered in the 1980s that liberalization has its perils: [illegible]cal, social and economic. The release of demand, pent up for [illegible]ars, resulted, first, in a capital-spending spree and later in a [illegible]mption-spending spree. The brakes had to be applied twice. [illegible] is a tribute to the administration in Beijing that on neither [illegible]on did any unit of the governmental system crack under the [illegible]. Nor did the country fall into the debt trap that now afflicts [illegible]any countries on other continents.

[illegible]e liberalization of the economy, and the devolution of [illegible]nsibility down to provincial, municipal and even small [illegible]tive groups, was eagerly seized as an opportunity. Perhaps [illegible]gerly. During 1984, foreign reserves, which had been built [illegible] a comfortable U.S. $16 billion by September 1984, suddenly [illegible] to run down. By March 1985, they had reached U.S. $11 [illegible]n, primarily because of over-enthusiastic importing, especial[illegible] consumer durables.

[illegible] end-1985 they had recovered to U.S. $12 billion, but have shrunk a little (U.S. $10.4 billion at end-March this year, for [illegible]nce). Exports are relatively buoyant, however, and imports [illegible]sing at smaller percentages, resulting in a shrinking visible [illegible] deficit. But the 1985 deficit was a worrying U.S. $14.9 [illegible]n, as imports were sucked in to assuage internally created [illegible]nd.

[illegible]cording to the method of calculating output in China, called [illegible]ocial product," the value of goods and services produced in [illegible]untry rose by a fantastic 16.2 % last year. Translated into the [illegible]'s domestic product" calculation which is more familiar in [illegible] nations, the rise was 12.5 %. Even at this rate, the sheer size [illegible] momentum of the increase points to a burst of buying and [illegible]g.

[illegible]ere were certain kinks in the pattern of production, too. [illegible] harvests fell, while rural industrial production soared; rural [illegible]es rose faster than urban incomes. Private cars found a free [illegible]et (anathema to any traditional Communist regime). Thou[illegible] of color TVs were imported, legally and illegally.

[illegible] the same time, foreign investment accelerated. The problem [illegible] sudden fresh accretions of capital is that they represent [illegible]ling at once, and turn into receipts only later. Deficits in [illegible]e trade and in reserves are thus bound to occur. What caught the central authorities by surprise was the enthusiasm with which such a large proportion of the population — including the more rural segments — grabbed the levers of the liberalizing economy.

The hemorrhage of reserves has now been stanched, but some of the liberalizations have been halted. Priorities are being more strictly applied to foreign expenditure; foreign companies are more closely queried as to their ability to support two major areas: domestic infrastructure and export activities.

A sober view of these events was offered recently by Eric P. Ho, secretary for trade and industry, Hong Kong government. "Anybody who has ever done business with China knows that one must take the longer-term view," he said. "But the recent decline in the Chinese foreign exchange reserves does not affect that issue. The fall in the reserves indicates that the economic reforms introduced in China, opening up and liberalizing their system, have worked faster than thought possible.

"It is a good sign, that the people in China have seized the incentives, one that actually shows hope for the future. The opportunities in China remain good for those companies which are not hoping for the 'quick buck' but for a sound and lasting relationship."

Xinhua News Agency

Xinhua News Agency

Top: Jinan's Yellow River Highway Bridge, with the biggest span in China, was opened to traffic in 1982. Above: An engineer at the Xiangfan City Art Paper Mill in central China overseeing production of high-quality art paper. Right: Workers at the Shantou Canned Food Factory in Guangdong Province processing beverages.

SATELLITE CAPABILITIES ATTRACT WORLD ATTENTION

Literally by accident, China suddenly has leaped to the top of the satellite launching business. Following failures in three U.S. launch systems and the European Ariane rocket, China's Xi Chang site in Sichuan Province has been hurriedly readied to fill the gap (one of the satellites for Indonesia must go up soon, or a whole system is voided).

Thus China will be lauching two U.S.-built satellites over the next year or so, and perhaps a Swedish one as well. The first Chinese carrier rocket went up in 1964, and in 1970 the first experimental satellite; since then 18 have been launched.

The Hughes Aircraft Co. has proposed that a joint-project satellite launching ground be set up in Hawaii, where Chinese rocket carriers and launching technology could be used for American civilian satellites in cooperation with Hughes, the New China News Agency reported.

"The suggestion has received positive response from the Chinese side, and negotiations on related substantial questions between both sides is expected to be held soon," the report added, quoting a recent issue of the official weekly Beijing Review.

Because of the shortage of carrier rockets even before the recent failures, many countries, including Sweden, Indonesia, Australia, Italy and Argentina, have contacted China about launching facilities.

THE EVER BRIGHT STORY

Wang Guang-ying is chairman of an unusual company called Ever Bright Industrial, registered in Hong Kong. When the company was established three years ago, it created quite a stir. Wang became known as the first post-Mao mainland "capitalist" to set up outside Chinese borders.

Wang had made a study tour of Hong Kong and, he said recently, "found that China has official 'vertical' companies like the Bank of China, and the big trading company, China Resources Ltd., specializing in one field. But there is no 'horizontal' company which could work across many activities and be more flexible."

Hence the formation of Ever Bright, organized on strictly commercial lines. Its capital is from official sources, with the high-level support and leadership of the State Council in Beijing.

Wang himself is Beijing-born, son of a diplomat who attended the 1919 Peace Conference in Versailles as an "authorized envoy" of the Nationalist Republic. Amid the many disruptions in China thereafter, he gave up an academic career and became a factory manager in Tientsin. During World War II and the Communist revolutionary aftermath, his fortunes rose and fell. Because he is the distant relative of a leading Communist who was purged, he was imprisoned for eight years during the Cultural Revolution.

Recently, Wang has been traveling in Europe, looking for sources of advanced technology and capital goods for many large and medium enterprises and projects in China.

Ever Bright has an office in Beijing, where it has a big hotel project (it will be the capital's tallest building to date). Other offices are in Wuhan, the industrial conurbation (where it has a brewery project with West German partners), and in Tientsin and Guangzhou. It has a special office in the free trade zone of Zhuhai, next to the Portuguese territory of Macau, which services projects in land reclamation, agriculture and industry — from rotary compressors for refrigerators (Whirlpool is the American technology partner) to sugar development.

What are Wang's views on barter or countertrade? "They may save hard currency, in theory, but in practice there are difficulties," he acknowledges. "The benefits often turn out not to be equal for both sides."

Is the boom in China over, as some pessimists aver? No, says Wang, but the boom has changed its character. "We certainly overspent on consumer goods during the first years of the open-door policy. For the time being, perhaps for another two years, we shall concentrate funds on capital goods."

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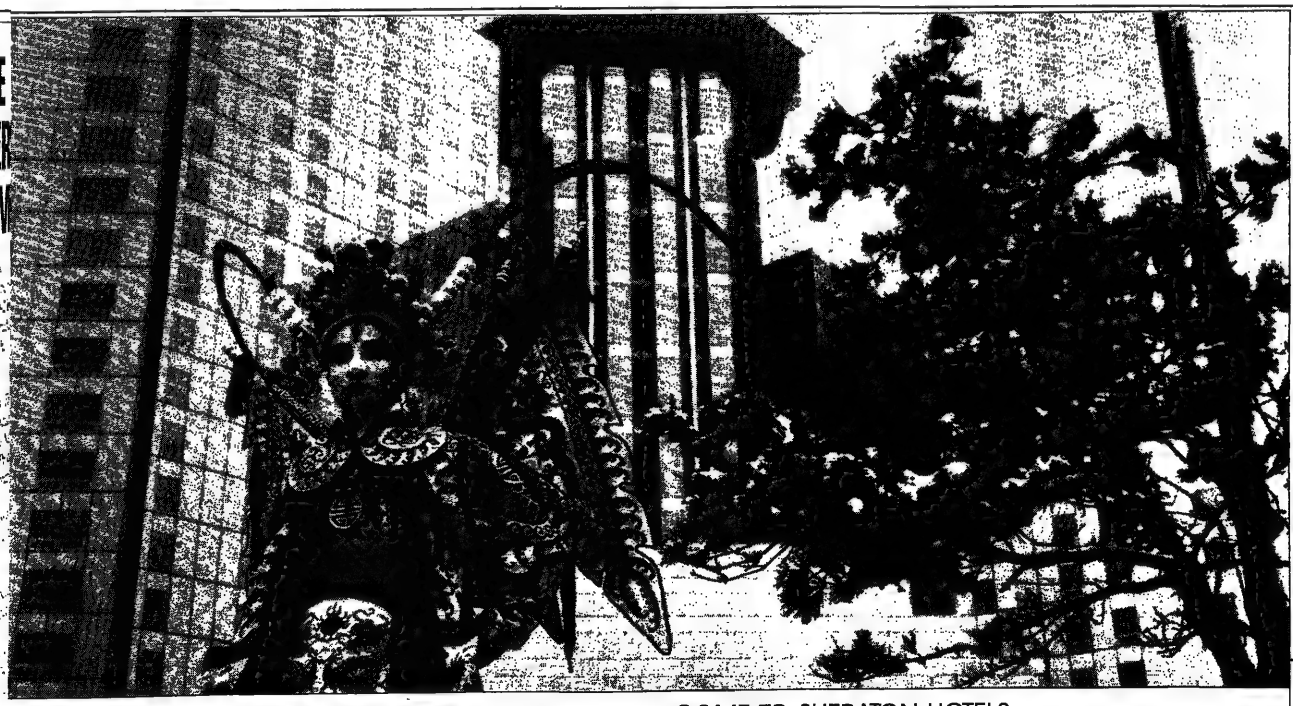

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EXECUTIVE TRAVEL IN ASIA: DIVERSE, DYNAMIC...YET DAUNTING

All those people, all that diversity, all that rising productivity—all those fresh new appetites. The revolution of rising expectations almost appears to be replaced by one of rising hedonism: the appetite for BMWs in Hong Kong, say, must be seen to be believed. There's lots of business to be done in Asia.

For the visiting executive, the increasing emphasis on *haut pat* may come as something of a welcome surprise.

Yes, prices are high for hotels and food; but no, not wildly out of line with prices in Europe. And Asia's new hotels are the world's fanciest. Many of the finest occupy their own private parks: in Jakarta, Bangkok and Manila there are hotels that amount to mini-cities, with a broad selection of restaurants, gymnasiums, tennis and squash courts, jogging paths neatly laid out through park greenery, luxurious pools and good shopping arcades.

Behind all this dynamism is the sheer size of Asia. Consider population, for example: there are more than 1.5 billion people in East Asia, compared to 331 million in the European Economic Community (EEC) and 235 million in the United States. East Asia's land area is 3.6 billion square kilometers compared to the 2.3 million of the EEC nations and the 9.4 million square kilometers of the United States. Per-capita GNP averages $4756 in Asia (including China's $290 and Brunei's $21,140, both shocking figures in different ways), compared to the EEC's $7,977 and the United States's $14,090. Six of every ten persons in the world are Asian.

Just as daunting is Asia's diversity: linguistically, ethnically and socially. So are the ways of life, the degrees of affluence and, indeed, of education. Perhaps the greatest single uniting factor is the English language, spoken with varying degrees of fluency by leading politicians, civil servants, businessmen and journalists.

For some travelers, there's a drawback: one is sheltered in these cities from the depressing urban realities outside the gates. But not necessarily from the local folks: for the successful Indonesians and Thais of Jakarta or Bangkok, the minicity is a highly desirable place to see and be seen.

So are the other hotels, from the giants like Singapore's new Westin-Raffles City Complex, or Tokyo's New Otani, to the smaller gems like Bangkok's Oriental, Hong Kong's Mandarin, Macau's Oriental or Tokyo's Okura. There are personal favorites like Singapore's Goodwood Park, or Bali's Tanjung Sari, Guangzhou's China Hotel or Asia's grande dame, the Manila Hotel. And city for city, dollar for dollar, one cannot go wrong with the superb hotels run by Hilton's Asia-Pacific group: far better than their European or American cousins, they're everywhere and they're usually very good.

Reuters

Crowds pack the streets of Shanghai. China's biggest city and most important industrial center, Shanghai is battling to overcome problems of traffic congestion and housing shortages.

That said, remember that room prices in Asia tend to be very flexible indeed. Not during high season. This varies from city to city, but when the rush is on, one pays top dollar. (Examples: Hong Kong and Guangzhou during the spring and autumn trade fairs). More often, prices can be bargained down dramatically, by sometimes more than 50 percent in cities like Bangkok and Singapore in summer and early fall. Advises a business friend: "Walk up to the reception desk, hand your business card to the clerk and ask for 40 percent off. You'll be surprised at how often they'll grant it."

And when checking out, go over bills carefully. Not only to make sure the promised discount actually was granted, but to be sure one is not being charged for someone else's splurge in the Grill. Computerization makes hotel bills appear accurate, but mistakes still occur. Examine all receipts. Count shirts when they come back from the laundry. And keep a very sharp eye on minibar charges: there's lots of sloppiness here.

As one might expect in a distinctly male-oriented part of the world, few Asian hotels have caught on to the idea that it's good business to cater to the increasing number of European and American women, traveling on business. Questioned on this point, most hotel spokesmen (and spokeswomen) quickly denied that they discriminated against women, thus neatly missing the point. But some hotels, including the Ritz and Lai Lai Sheraton in Taipei and the new Tokyo Hilton, have already taken action.

These hotels, for example, make a point of screening incoming phone calls for their women guests. They seat lone women diners discreetly and brush off pests. All offer special gift toiletries to female guests and make a point of ensuring a good supply of clothes hangers designed for women's clothing.

Most major hotels have good business centers, with equipment that ranges from telex and cable machines up to facsimile machines and computers. All will find temporary secretarial and translator assistance. The newer hotels, unsurprisingly, are generally much better equipped for business travelers than the older ones.

And the newer ones are also much more likely to offer fairly lavish sports facilities, from gyms (kitted out with all the latest muscle-building equipment) to large swimming pools, saunas, and steam baths. Many have squash and tennis courts; some even have bowling alleys. But for golf and sailing, introductions to the local clubs are needed. Sometimes the hotel can help, sometimes not—and the traveler thus may be forced to accept the hospitality of business contacts.

Business acquaintances can also help out if one falls ill. A personal recommendation of a doctor is to be preferred to that of one's hotel, though in a couple of cases during my year of travel in Asia the hotel doctor turned up trumps. Note: hotel doctors tend to be expensive.

If one is very lucky, one may escape Asia's foods unscathed. In international-standard hotels, the food-preparers are closely supervised and chances of catching the runs accordingly less. But most travelers can expect to be grounded by stomach trouble for a day or two along the way. To play safe, have a shot of gamma globulin before departure: it's less expensive than a bout of infectious hepatitis. Other shots usually aren't absolutely necessary. Exception: for trips to remoter parts of Indonesia or the Philippines, doctors may advise taking anti-malaria tablets.

Water: Hotels supply boiled drinking water as a matter of course. Though tap water is perfectly drinkable in some cities, one may not want to risk a stomach upset. Viable alternatives are local beer, or hot tea.

Food and drink: Most Asian food, to this traveler at least, is extremely palatable. By now most Westerners, in restaurants in their home cities back in Europe and North America, have been exposed to Cantonese and Sichuanese cuisine, to at least a few Japanese and Thai dishes, and perhaps even to some of the delights of Malaysia and Indonesia. Things taste even better in their homelands, and most leading hotels offer fine local dishes. Don't feel confined to hotel menus, however. There are good local restaurants in each city.

With Asian meals, locally produced beer, or tea, goes well. In Hong Kong and Singapore, Chinese hosts will offer you brandy right through the meal. (Be cautious.) Asian beer is generally excellent: Kloster in Thailand, Anglier in Indonesia, San Miguel in Manila and Hong Kong, Sapporo in Japan and Tianjin in China are good.

Western (or "continental") food in Asia isn't top-notch, despite noble efforts by all varieties of imported chefs. Neither is it inedible. But it's vastly overpriced.

For Western wine-lovers, there are problems. Many European wines simply do not travel well. Nor do they survive sometimes erratic Asian storing and handling. And prices are exorbitant: count on paying twice as much — for mediocre European wines — in Asia.

If wine is essential, try China's Dynasty and Great Wall brands, produced in China by Sino-French combines. The whites are fairly dry, and quite palatable, the reds scrappy. The Chinese also produce fortified rice wines that are somewhat heavy, with some resemblance to sherry. These are served warm. Japan's sake is a bit lighter and preferred by many Westerners. South Korea produces quite good whites and so-so-reds under the Majuwang label. Remember, by the way, that Asia-produced wines are about as expensive as their heavily taxed Western equivalents.

The usual European tipples—scotch and bourbon, sherry and port, gin, vodka and rum — can be found just about everywhere. Prices generally are just short of being outrageous (particularly in hotel minibars) as the direct result of the near-confiscatory duties imposed by greedy governments on imported booze in most parts of Asia. Cognacs are both expensive and in lavish supply, a direct consequence of the Chinese community's fascination with the stuff.

Most Asian spirits such as arrack and local whisky should be avoided, though a taste will satisfy curiosity and probably won't cause brain damage. Most Japanese whisky, on the other hand, is not bad, and the best of it is fairly palatable.

The single most daunting Asian spirit is China's mao-tai (or gao-liang, in Taiwan), made from millet and an assortment of other grains. Its taste of gasoline and burned rubber (with, one is forced to believe, hemlock) emphatically does not deter Chinese hosts from offering it in huge quantities at official banquets.

Foreigners who face long bargaining sessions the next day should be particularly wary of the stuff, for it causes dragon-sized hangovers. Though Chinese hosts will rarely admit it, their aim often is to get guests potted while escaping unscathed themselves and thus earning a decided advantage for the next day's negotiations.

Thus: sip, don't gulp. Resist all challenges to drain the glass. When the host lifts his glass and says "gan-bei" (bottoms up), drink sparingly. Remember that in Asia, duplicity is depthless: that clear liquid in your host's glass may be only water, not mao-tai.

Reverse trickery is perfectly okay under Asian rules: spill a drink onto the table, the floor or the host; pour it into flowerpots, teapots or the ubiquitous orange softdrink glasses.

But never be rude. Politeness is one of Asia's eternal verities. Compliments and gracious gestures will carry the foreign visitor a long way toward his or her goals; a loss of temper is very bad news indeed.

Good manners, in fact, are one of Asia's few unchanging standards, from top hotels to tribal long-houses. In just about everything else, change is the supreme fact, and the pace of change, accelerated by the area's thirst for high technology, is discouragingly rapid.

This story has been adapted from "Far East," the International Herald Tribune's forthcoming guide to business travel and entertainment in Asia, written by Robert K. McCabe.

FUJIAN PROVINCE: DETERMINED EXPORTER

An example of a determined export campaign is provided by officials in Fujian (Fookien) Province, on the south China coast. Last September, a food technology exhibition and symposium was held in a leading city there. The emphasis was on food processing and packaging equipment, which China sorely needs. If its current capacity can be expanded, Fujian can supply good quantities of agricultural and fishery products to markets abroad. It already has a lively market in Japan for frozen seafoods in bulk, and there are potential markets elsewhere for special foodstuffs such as mushrooms and semi-tropical vegetables.

Fujian is the site of the old China tea exporting coast, the source of tales of the tall clipper ship races, and (indirectly) of the tea cargoes on which the tax created such a furor that it cost England its American colonies. It is also from Fujian that a far older trade was carried on — silks and porcelain to the Philippines. This helped make that archipelago profitable to the Spaniards when they colonized it.

But Fujian lacks good coastal and internal communications and other infrastructure to exploit its agricultural and fishery potential. The old port of Fuzhou (Foochow) needs dredging. The port of Amoy (now called Xiamen) is in better shape, and a free trade zone is being developed there. With help, Fujian might return to its erstwhile foreign trade preeminence.

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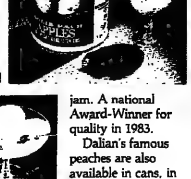

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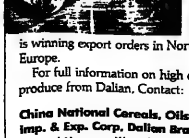

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FUJIAN PROVINCE DETERMINES EXPORTS

INTERNATIONAL MANAGER

ath in the Factory: What n Employer's Liability?

By SHERRY BUCHANAN
International Herald Tribune

NDON — Should managers, in extreme cases, be indicted r murder for death in the factory? Stefan Golab, a 59-year-old Polish immigrant, regularly worked near vats that spewed hydrogen cyanide gas at the Film Recovery Inc. plant in a Chicago suburb. On Feb. 10, 1983, he felt s, went outside, passed out, was rushed to a nearby l and was pronounced dead on arrival.

edical examiner ruled that he had died of "acute cyanide ."

ompany used cyanide solutions to extract silver from old ilms.

ctober 1983, Film Re-Systems and its two companies were indict-harges of involuntary aughter. But the prose-ok the unusual step of g five company man-ith murder and reck-nduct.

prosecutor decided to charge the plant managers with after he became convinced that the managers knew that was an extremely dangerous chemical but had installed the standard safety equipment to protect employees and ne nothing about repeated worker complaints of nausea ebbleeds.

ly 1985, a judge, in a nonjury trial, sentenced three of the rs to 25 years in prison for murder. Out on bond, they are ng the case.

a French company ran out of space to store building ls, workers stacked wooden pallets on the warehouse's loor space to expand the storage space. But, against y regulations, they stacked them too high. The pallets d crushing to death a 60-year-old worker.

ough the plant manager had specified at which height to e pallets, a French court held the factory director person-ponsible, fined him and gave him a suspended jail sen-

MANY countries, employers can be prosecuted, either lly or criminally, for an employee's death caused by an afe working environment. But it is rare for managers to be ted for manslaughter, let alone murder. In that respect the ecovery Systems case in the United States is exceptional. also unusual for executives to spend any time in jail.

eneral, most countries have a protection scheme that only he company as a whole for civil liability," said Herman , general secretary of the Geneva-based International orkers Federation, which has member unions in 70 coun-In the health and safety area, there is no real sense of il responsibility attached to management."

rding to the Health & Safety Executive, the British health fety regulatory agency that has the power to bring criminal ings against an employer, not one of 2,000 prosecutions r resulted in a manslaughter charge.

body has ever gone to prison," said Grant Edwards of the & Safety Executive. "Just because these are criminal ings doesn't mean guilty executives' fingerprints will end cotland Yard."

average fine for these prosecutions was £1,300 ($1,990) last magistrate's courts, the maximum fine is £2,000 and three in jail.

suspended prison sentences are rare. According to the & Safety Executive, in an asbestos prosecution 15 months employer got a one-month suspended sentence. He had prosecuted for breaching a prohibition notice that ordered cease until the factory was made safe.

s of the problems is who do you pin it on," said a man for the Trades Union Congress, the large British ion of unions.

liability experts worry that introducing murder charges

See MANAGER, Page 13

It is rare for managers to be prosecuted for manslaughter.

Prices Rise 40% In Mexico

Recession Began In First Half

By Sally Jacobsen
The Associated Press

MEXICO CITY — Consumer prices in Mexico soared 40.6 percent in the first half of the year, giving new support to analysts' predictions that inflation for the year will be the highest since 1982.

The Bank of Mexico, the central bank, said Monday that consumer prices rose 6.4 percent in June, the biggest increase since 8.8 percent in January. Prices were up 5.6 percent in May.

Higher costs for a wide range of goods and services, including tortillas, meat, eggs, rent and medicine, contributed to the June advance, the report said.

The Mexican economy has been battered badly by the collapse of oil prices on the world market, and a Treasury Department official said last week that the economy slipped into a recession during the first half of the year.

The economic downturn is the third in five years.

Guillermo Prieto Fortun, the Treasury's undersecretary for income, said the nation faced "an unfavorable national economic and financial panorama."

Analysts have predicted that the economy would contract 3 percent to 4 percent this year, after expanding 2.7 percent, adjusted for inflation, in 1985.

Mexico is holding negotiations with the International Monetary Fund on a financial-aid package, expected to be worth $5 billion to $6 billion this year. As part of any agreement, Mexico will have to pledge to try to cut inflation.

Until last year, the inflation rate had been gradually falling from the 98.8 percent reported in 1982 at the start of the economic crisis. It was 80.8 percent in 1983 and 59.2 percent in 1984. Last year, it was 63.7 percent.

Analysts predict the inflation rate will exceed 80 percent, possibly reaching 100 percent, this year.

As part of the government's efforts to try to cut spending as oil prices fall, it has announced price increases in subsidized goods.

At the end of May, the government nearly doubled the price of tortillas, the mainstay of the Mexican diet. The price rose from 45 pesos for about two pounds (one kilogram) of tortillas to 80 pesos, about 13 U.S. cents.

It has said it will sharply increase the price of a ticket on Mexico City's subway system. A ride now costs 1 peso; the new price is expected to be 20 pesos.

Because of lower oil prices, analysts predict that the country will earn about $8 billion from crude sales to overseas customers this year, down from $13.3 billion in 1985. The revenue is used to pay interest on the $97.6-billion foreign debt and to buy imports.

The Bank of Mexico said the producer price index — the costs paid by producers of goods and services — rose 6.9 percent in June, bringing the increase in the index for the first half to 36.2 percent.

AMC's Road to Profits Gets Rockier

Labor and Other Problems Try Optimism of New CEO

By Warren Brown
Washington Post Service

SOUTHFIELD, Michigan — Few here doubt that Joseph E. Cappy deserved to be named president and chief executive officer of American Motors Corp. in March. But many don't understand why he accepted the job.

Mr. Cappy's is the least enviable seat in the hierarchy of the U.S. auto industry. His company, America's No. 4 car maker, seems always on the brink of disaster.

"The media think that AMC's first name is 'Financially troubled,'" said an industry analyst. Is the media wrong? "Not really," the analyst said.

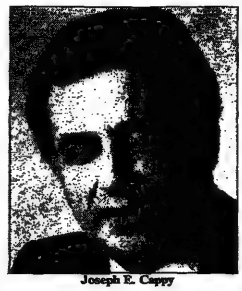
For example: Gasoline prices and interest rates are down in the United States. Consumer confidence is up. At a time when all U.S. automakers ought to be making money, and most are, AMC is expected to post a loss of $75 million in 1986. It has reported a loss of $767 million since 1980, including $125 million last year.

AMC has also had trouble getting its unit of the United Auto Workers to grant the kinds of wage concessions made to General Motors Corp., Ford Motor Co. and even Japanese automakers producing cars in the United States, such as Mazda Motor Corp.

Finally, AMC's main offerings, the Alliance and Encore subcompacts, sell poorly despite their respectable reputations and excellent record of low gasoline consumption. While a 60-day inventory is considered normal in the domestic auto industry, at the end of May, AMC had a 137-day supply of Alliance models and a 309-day supply of Encores, according to Ward's Automotive Research.

"The Alliance-Encore is still the best fuel-efficient, gasoline-powered car built in North America," Mr. Cappy said. "The only problem is, no one gives a damn about fuel efficiency."

Not even AMC's popular Jeeps are immune to difficulty. Other car makers are making serious



Joseph E. Cappy

bids for the U.S. four-wheel-drive market, of which AMC now holds 13 percent.

So, does AMC have a future?

Mr. Cappy, a pugnacious, 32-year veteran of the auto wars, believes it does. He said he does not intend to preside over the company as an undertaker. "This company is turning around," he said.

"Because we haven't gotten costs way down and profits up, everybody thinks we'm a bunch of jerks," he added. "If I were on the outside looking in, not knowing what I know about this company, I'd have to feel the same way.

"The things that nobody on the outside seems to appreciate are that we've got a new product philosophy, a new strategic approach to business, and new management," Mr. Cappy said.

AMC also has its relationship with French car

See AMC, Page 13

U.S. Steel Plans Restructuring, Changes Name

Compiled by Our Staff From Dispatches

PITTSBURGH — U.S. Steel Corp. announced Tuesday a major restructuring of the company, including the formation of USX Corp. as the parent firm.

David M. Roderick, the chairman and chief executive officer, said there would be four operating units that report to the parent, which will continue to be based in Pittsburgh.

"This restructuring provides increased flexibility at the corporate level to manage our individual companies more effectively and to expand into new and profitable areas of business in the future which meet our goals of financial strength and stability," Mr. Roderick said.

Mr. Roderick, in explaining the new corporate name, said the "US" was derived from U.S. Steel and the "X" has been the company's New York Stock Exchange symbol since 1924.

The four operating units under USX Corp. are: Marathon Oil Co., based in Findlay, Ohio; USS, the new name for the steel unit, with headquarters in Pittsburgh; U.S. Diversified Group, also based in Pittsburgh; and Texas Oil & Gas Corp., with headquarters in Dallas.

Mr. Roderick said that the president of each operating unit would report directly to him.

"Marathon Oil and Texas Oil & Gas, with their combined worldwide and domestic reserves, make USX one of America's leading energy companies," he said.

"Our U.S. Diversified Group encompasses chemicals; steel service centers; engineering, consulting and construction services; real estate; transportation; and the manufacture of energy production equipment," he said.

Based on the group's 1985 sales of nearly $3 billion, it would have ranked 137th on the Fortune 500 as a separate company.

"Our steel unit, which will now be known as USS, is the nation's largest steelmaker and is committed to remaining the premier American steel producer," Mr. Roderick said.

"While this is a new name for our steel business, it will retain its traditional trademark identification by which our steel products have been known over the years."

The company said USS was being reorganized into a three-division operation: sheet and tin products, heavy products, and related resources.

"What we announce today brings the structure of USX Corp. into line with the new business profile we have carefully built in this decade," Mr. Roderick said.

U.S. Steel was founded in 1901. It was a combination of the steel empires of J.P. Morgan and Andrew Carnegie with capital of $1.4 billion, the largest business enterprise ever launched at that time.

Company officials said the restructuring would have no impact on negotiations to replace a contract expiring July 31 with 45,000 members of the United Steelworkers union.

Just before contract talks opened in June, the company sent to all its workers a pamphlet outlining the financial problems of its steel division, which reported an $8-million profit in the first quarter. The pamphlet said that if steel operations were split from the rest of the company, they would have posted a combined loss of $2.4 billion in the past six years. *(UPI, LAT, AP)*

Hydro Plans to Take Saga Stake, Blocking Elf Bid

By Bob Hagerty
International Herald Tribune

LONDON — Norsk Hydro AS announced in Oslo Tuesday a proposal to block a French bid to rescue Saga Petroleum AS, a small Norwegian oil company burdened with more than $500 million of debt as a time of collapsing oil prices.

The move by Hydro, an oil, metals and fertilizer company owned 51 percent by the Norwegian government, threatens to embroil commercial relations between France and Norway.

It also reflects the interest of many financially strong energy companies worldwide in buying oil reserves cheaply in anticipation of rising prices in the 1990s.

Hydro proposed a capital infusion that would leave it with a stake of as much as 35 percent in Saga. Officials of Oslo-based Saga reacted coolly, saying they planned to continue merger discussions with Elf Aquitaine Norge AS, a Norwegian unit of France's state-owned Société Nationale Elf Aquitaine.

The Elf-Saga talks were disclosed about six weeks ago, and the two sides have promised a progress report by mid-July. Saga is valued at about 1.25 billion kroner ($168 million) based on its current share price.

"We think it's essential to keep Saga as a Norwegian oil company," said Odd Gullberg, a spokesman for Hydro. He argued that as much of the industry as possible should be kept in Norwegian hands to encourage the placing of equipment orders at home and to provide a broad base for developing oil expertise.

But Hydro's move put the Norwegian government in a delicate position:

For one thing, the French government last January allowed Hydro to acquire control of Cie. Française de l'Azote, or Cofaz, France's second-largest fertilizer maker.

Moreover, France is one of the biggest customers for Norwegian gas. One oil industry executive in Norway suggested that the French would balk at buying Norwegian gas if Elf is thwarted.

Several Norwegian oil industry observers said they believed their government would favor Hydro over Elf as a partner for Saga. But an energy adviser to the government said he thought Norwegian leaders were fearful of offending France.

Hydro's proposal calls for Saga to raise about 500 million kroner through an issue of new shares to its existing shareholders. Hydro would buy any of the shares not taken up by Saga shareholders. In addition, Hydro said it had obtained an option to buy 20 percent of Saga from Kvaerner Industrier AS of Norway.

AB Volvo of Sweden also owns 20 percent of Saga. A Volvo spokesman said that it was too early to comment on the Hydro proposal, but that Volvo's stake was not for sale.

Though Saga is weighed down by debt, oil analysts say the company's production and exploration rights off Norway could be highly attractive on a long-term view. As a Norwegian-owned company, Saga has had preferential treatment in bidding for exploration interests.

One Saga asset that might be particularly attractive for Hydro is a 1.9-percent stake in the Norwegian sector of the giant Statfjord oil and gas field, an area where Hydro is not involved.

People Express Directors Meet to Consider Options

Reuters

NEWARK, New Jersey — Amid reports that its investment bankers had invited an auction, directors of People Express Inc. met Tuesday to weigh offers to take over all or part of the financially troubled discount airline.

People said in a statement that its board would look into "various alternatives open to it." The company did not elaborate, but said it expected to make an announcement later in the day.

The carrier declined to comment on a New York Times report that its investment banker, Morgan Stanley & Co., had asked interested suitors to make their bids for the carrier by Tuesday.

People, which reported a loss of $58 million in its first quarter, said two weeks ago that it was seeking a buyer for all or part of its assets.

The Wall Street Journal reported Tuesday that Texas Air Corp. had made a new, $235.5-million bid for People, sharply lower than its reported previous offer of about $314 million. The new bid valued People at about $9 a share.

Texas Air, which owns Continental Airlines and New York Air, is a leading candidate to buy People, but its bid might face regulatory and financial hurdles, analysts said.

Texas Air's pending acquisition of Eastern Airlines Inc., one of People's and New York Air's main competitors along the Boston-New York-Washington route, further compounds the problem, they said. The $600-million purchase, if approved, would make Texas Air the largest U.S. airline.

Three other companies have expressed an interest in acquiring People, The Times said. These are UAL Inc., the parent of United Airlines; Western Airlines, and Resorts International.

Analysts said People could end up selling assets, such as gates at certain airports, its 747 jumbo jets or its Frontier Airlines subsidiary, which operates out of Denver. People acquired Frontier only last year, and the merger has been blamed for many of the Newark-based company's current problems.

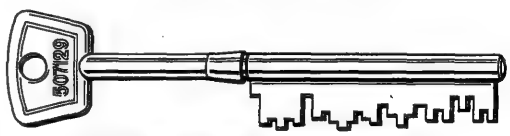
On Monday, the Journal reported that Western Airlines had told people that it would like to acquire Frontier, along with some aircraft that it would lease back to People Express.

Russell Marchetta, a spokesman for People, said Tuesday that the carrier would not comment on any of the published reports.

The reports pushed up People's stock $2.375 to $9.75 in over-the-counter trading on Monday. Prices were little changed early Tuesday.

A Texas Air spokesman said the company would not comment on potential business transactions.

There's private banking.



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Currency Rates

Rates *July 8*

	$	£	D.M.	F.F.	H.L.	Guil.	B.F.	S.F.	Yen
	2.4685	2.772	112.45 *	35.325 *	5.154 *	—	2.889 *	128.34 *	123.12 *
	41.868	46.978	38.018	6.4985	5.99 *	18.2275	—	23.21	22.87
	3.1725	3.559	—	21.19 *	1.4545 *	18.985 *	4.804 *	123.85 *	1.24 *
	1.8115	—	3.341	10.7875	3.1845	3.2615	46.665	2.719	246.55
	1,491.50	1,673.50	606.21	214.35	—	699.45	23.457	945.45	1.234
10	—	0.6653 o	2.124	0.6855	1.075.10	2.145	41.595	1.77	129.75
	4.865	5.714	1.3575	—	2.671 *	3.3484	15.128 *	3.242	1.634 *
	182.95	207.25	73.71	22.32	18.77 *	45.47	209.44 *	98.57	—
	1.748	1.2257	81.45 *	25.45 *	3.1185 *	72.238 *	2.0985 *	—	1.157 *
	3.0577	3.461	1.1473	0.5574	1,445.70	2.4735	49.57	1.7456	142.49
	1.36541	1.7226	1.5984	0.36597	N.A.	2.0614	33.6724	2.1065	198.716

London and Zurich, fixings in other European centers. New York rates at 4 P.M. Belgian francs (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 N.A.: not available. N.T.: not quoted. N.A.: not available. Free pound: $4.1.433

Dollar Values

Currency per U.S.$		Currency per U.S.$		Currency per U.S.$		Currency per U.S.$	
Austria	14.00	Finland	4.2025	Mex. peso	616.00	Soviet ruble	0.695
Belgium	1.5812	Greece	120.00	Neth. guilder	2.4125	Spain, peseta	137.25
Canada	1.3938	Hong Kong	7.8172	Norway	7.0125	Swed. krona	7.2625
China	44.94	Indian rupee	12.4825	Pak. rupee	16.00	Taiwan $	38.07
Denmark	13.77	Irish pt.	1.1325	Port. escudo	146.00	Thailand	26.125
France	6.8725	Israel shek.	1.4875	Saudi riyal	3.75	Turkish lira	670.25
Germany	2.0125	Italy	1,492.75	Sing. $	2.1825	U.A.E. dirham	3.673
Hong Kong	7.8125	Japan	153.50	S. Afr. rand	2.5375	Venez. bolívar	14.45

1.7050 Irish £

Belgian dn Banque (Brussels); Banca Commerciale Italiana (Milan); Bureau Marc Paris (Paribas); Bank of Tokyo (Tokyo); IMF (SDR); BAI (other, rind, dirham); Reuters (rouble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *July 8*

	Dollar	D-Mark	Dutch Guilder	Sterling	French Franc	ECU	SDR
1 week	6 1/4-6 1/8	4 1/2-4 3/8	4 3/8-3	10 1/2-10 1/4	7 1/2-7 1/4	7 1/2-7	6 1/2
1 month	6 1/4-6 1/8	4 1/2-4 3/8	4 1/2-4 1/8	10 1/2-10 1/4	7 3/4-7 5/8	7 15/16-7 3/4	6 5/8
3 months	6 5/16-6 1/4	4 5/8-4 1/2	4 5/8-4 3/8	10 5/8-10	7 7/8-7 3/4	7 7/8-7 3/4	6 3/4
6 months	6 5/16-6 1/4	4 7/8-4 7/8	4 7/8-4 7/8	10 5/8-10 1/8	7 7/8-7 3/4	7 7/8-7 3/4	6 7/8
1 year	6 5/16-6 1/4	5 1/8-5	5 1/8-5	10 5/8-10 1/8	7 7/8-7 3/4	7 7/8-7 3/4	6 7/8

Morgan Guaranty Dollar, DM, SF, Pound, FF; Libra Bank (ECU); Banford rates applicable to interbank deposits of $1 million minimum (or equivalent).

Money Rates *July 8*

	Close	Prev.
Fed Funds	6½	6½
7 Days	6 13/16	6¾
30 Days	6½	6½
60 Days	7¼	7¼
90 Days	7¼	7¼
Prime Rate	8.50	8.50
Discount Rate	5.50	5.50
30-Day Treasury Bills	5.95	5.94
60-Day Treasury Bills	5.97	5.93
90-Day Treasury Bills	5.98	5.89
Call Money	6.25	6.25
Call Money	5.50	5.50
Call Money	5.50	5.50
Call Money	5.50	5.50

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

(Continued on next page)

NYSE Highs-Lows

NEW HIGHS 8

Auto/Housing/Appliances	Chemicals/Drugs/Health Care	Conglomerates/Transportation	Interest Sens. Util. Finance
NEW LOWS 49			
Adobe Res n	Airgas Inc	Allied-Sig	Ameritrust
Am Cent Cr	Amfac/Hf wt	Armco Ltd	Atlantic Gas
Brockway	Cetus Cp	Cyprus Min	Cent Maine Pw
BrockWtB	CMH wt	CRI Ind 119	CenNYEl
Cam Group	Cmbs Eng	Dana Corp	Dallas Pr
Cmbs Eng	Elegnt	Eaton Cp	Detroit Ed
Cmbs Eng pf	Fischer&P	Emhart	Fedders
Crystal Oil	Genetics	Fruehauf	Fed Sign
Dr Pepper	Gr Bay Bn	Gen Cinema	Gen Dynamics
Eastern Co	Hexcel	Hexcel	Hexcel
Lamson&S	MAI Basic n	Interpublic n	Interpublic pf
Lamson&S cv pf	Medtronic Unit	Mesa Ltd	Mesa Ltd pf
Mr Coffee	Nabisco Brnds	Nabisco Brnds	Nabisco Brnds
TexAmBnch	Tricentrol	USAirWs n	WellsF ind p

James River Corp. Agrees to Sell Zellerbach Distribution Unit

Reuters

RICHMOND, Virginia — James River Corp. said Tuesday that it had agreed in principle to sell the business of the distribution group of its recently acquired Crown Zellerbach subsidiary to Mead Corp. for $250 million in cash.

The unit, which distributes printing, packaging and industrial papers, had 1985 sales of $820 million.

Asian Commodities

July 8

KUALA LUMPUR RUBBER
Malaysian cents per kilo

	Close		Previous	
	Bid	Ask	Bid	Ask
Aug	300.50	302.00	300.00	300.50
Oct	305.50	307.00	305.00	305.50
Dec	310.50	312.00	310.00	310.50

Volume: 0 lots.

SINGAPORE RUBBER
Singapore cents per kilo

	Close		Previous	
	Bid	Ask	Bid	Ask
RSS 1 Aug	172.50	173.00	172.50	173.00
RSS 1 Sept	171.50	172.00	171.50	172.00
RSS 3 Aug	169.00	170.00	169.50	170.50
RSS 3 Sept	168.00	169.00	168.50	169.50
RSS 3 Oct	166.50	167.50	167.00	168.00

KUALA LUMPUR PALM OIL
Malaysian ringgits per 25 kilo

	Close		Previous	
	Bid	Ask	Bid	Ask
Jly	560.00	570.00	551.00	560.00
Aug	560.00	570.00	551.00	560.00
Sep	560.00	570.00	551.00	560.00
Oct	560.00	570.00	551.00	560.00
Nov	560.00	570.00	551.00	560.00
Dec	560.00	570.00	551.00	560.00

Volume: 0 lots of 25 tons.

Source: Reuters.

London Commodities

July 8

SUGAR
Sterling per metric ton

	High	Low	Close Bid	Close Ask	Previous Bid	Previous Ask
Aug	124.00	119.00	119.00	123.00	124.00	125.00
Oct	136.00	127.00	128.00	132.00	136.00	137.00
Dec	141.00	140.00	133.00	134.00	139.00	139.00
Mar	147.00	145.00	140.00	141.00	146.00	146.00
May	150.00	150.00	145.00	146.00	150.00	150.00
Aug	157.00	155.00	150.00	151.00	156.00	156.00
Oct	159.00	159.00	155.00	156.00	159.00	159.00

Volume: 4,436 lots of 50 tons.

COCOA
Sterling per metric ton

	High	Low	Bid	Ask	Previous Bid	Previous Ask
Jly	1,359	1,319	1,320	1,321	1,357	1,358
Sep	1,359	1,319	1,320	1,321	1,357	1,358
Dec	1,401	1,362	1,361	1,362	1,399	1,401
Mar	1,441	1,398	1,398	1,399	1,439	1,441
May	1,472	1,433	1,433	1,434	1,469	1,470
Jly	1,472	1,433	1,433	1,434	1,469	1,470

Volume: 3,556 lots of 5 tons.

COFFEE
Sterling per metric ton

	High	Low	Bid	Ask	Previous Bid	Previous Ask
Jly	1,844	1,810	1,810	1,815	1,816	1,821
Sep	1,876	1,841	1,841	1,844	1,848	1,852
Nov	1,910	1,875	1,875	1,878	1,882	1,885
Jly	1,743	1,718	1,718	1,719	1,728	1,729
Sep	1,743	1,709	1,709	1,712	1,728	1,729
Nov	1,742	1,717	1,717	1,720	1,728	1,729
Jly	N.T.	N.T.	1,720	1,730	1,730	1,740

Volume: 5,262 lots of 5 tons.

GASOIL
U.S. dollars per metric ton

	High	Low	Bid	Ask	Previous Bid	Previous Ask
Jly	92.00	86.50	91.00	—	92.75	93.00
Aug	94.50	93.00	93.25	—	95.25	95.50
Sep	96.50	95.00	95.25	—	97.00	97.50
Oct	102.00	101.00	101.00	—	102.50	103.00
Nov	104.00	103.00	103.00	—	104.50	105.00
Dec	106.00	105.00	105.00	—	106.50	107.00
Jan	108.00	107.00	107.00	—	108.50	109.00
Feb	N.T.	N.T.	110.00	—	110.50	111.00
Mar	N.T.	N.T.	112.00	—	112.00	113.00

Volume: 4,092 lots of 100 tons.

Sources, Reuters and London Petroleum Exchange (gasoil)

Paris Commodities

July 8

SUGAR
French francs per metric ton

	High	Low	Close Bid	Close Ask	Chge
Aug	1,348	1,338	1,348	1,349	+5
Oct	1,360	1,342	1,358	1,359	+5
Dec	1,365	1,350	1,363	1,364	Unch.
Mar	1,382	1,369	1,380	1,381	+2
May	1,395	1,385	1,393	1,394	+2
Aug	1,410	1,400	1,408	1,409	+2

Est. vol.: 3,497 lots of 50 tons. Prev. actual sales: 3,096 lots. Open interest: 36,834

COCOA
French francs per 100 kg

	High	Low	Close Bid	Close Ask	Chge
Jly	N.T.	N.T.	N.A.	N.A.	+18
Sep	N.T.	N.T.	N.A.	N.A.	+18
Dec	N.T.	N.T.	N.A.	N.A.	+18
Mar	N.T.	N.T.	N.A.	N.A.	+18
May	N.T.	N.T.	N.A.	N.A.	+18
Jly	N.T.	N.T.	1,720	—	+5

Est. vol.: 50 lots of 5 tons. Prev. actual sales: 0 lots. Open interest: 179

COFFEE
French francs per 100 kg

	High	Low	Close Bid	Close Ask	Chge
Jly	N.T.	N.T.	N.A.	—	+20
Sep	1,730	1,730	1,741	1,742	+20
Nov	1,730	1,730	1,741	1,742	+20
Jly	N.T.	N.T.	1,690	1,691	+20
Sep	N.T.	N.T.	N.A.	—	+20
Nov	N.T.	N.T.	N.A.	—	+20
Jly	N.T.	N.T.	1,670	—	+5

Est. vol.: 50 lots of 5 tons. Prev. actual sales: 141 lots. Open interest: 197

Source: Bourse du Commerce.

Cash Prices

July 8

Commodity and Unit	Yesterday	Year Ago
Coffee, Brazilian, lb	1.07	1.45
Cocoa, Ivory Coast, lb	0.36	0.37
Sugar, World, lb	0.05	0.05
Sugar, EEC, lb	0.14	0.14
Copper, elect., lb	0.67	0.64
Aluminum, lb	0.39	0.40
Zinc, E. St. L., lb	0.41	0.42
Lead, lb	0.18	0.19
Silver, fr. oz	5.21	n.a.

Source: AP.

Dividends

July 8

Company	Per Amt	Per Date
INCREASED		
Divers. Realties	Q .35	8-15 7-25
OMITTED		
Manhattan National Corp		
STOCK SPLITS		
Corp's General — 3-for-2		
CVF Technologies — 3-for-2		
UNDIAL		
Bank of New York	Q .34	8-1 7-18
Chemical New York	Q .50	8-1 7-11
Golden Enterprises	Q .05	7-30 7-18
Lehman Corp	Q .25	7-31 7-15
NEIDC	Q .16	8-15 7-31
Peoples Southwest	Q .25	8-1 7-15
Pepsico	Q .25	8-15 7-31
Unit Cmnwlth. Pref	Q .52	9-15 8-31
VMS Short Term Tr	Q .23	8-15 7-31
VMS Mnnl Inv& Tax	Q .22	8-15 7-31
Washington Gas Light Co	Q .32	8-1 7-15

p-payable; ex-ex-dividend; y-ex-rights; t-ex-distribution

Source: UPI.

U.S. Futures

Via The Associated Press

July 8

Grains

WHEAT (CBT)
5,000 bu minimum - Dollars per bushel

Season High	Season Low	Open	High	Low	Close	Chg.
3.19	2.46	2.47	2.47	2.44	2.44	-.03
3.19	2.47	2.47	2.47	2.44	2.44	-.03
3.19	2.49	2.49	2.49	2.46	2.46	-.03
3.19	2.52	2.52	2.52	2.49	2.49	-.03
3.19	2.57	2.57	2.57	2.54	2.54	-.03
3.19	2.62	2.62	2.62	2.59	2.59	-.03
3.19	2.67	2.67	2.67	2.64	2.64	-.03
3.19	2.72	2.72	2.72	2.69	2.69	-.03
3.19	2.77	2.77	2.77	2.74	2.74	-.03
3.19	2.82	2.82	2.82	2.79	2.79	-.03

Est. Sales 2,500 Prev. Sales 1,339
Prev. Day Open Int. 13,223 up 139

CORN (CBT)
5,000 bu minimum - Dollars per bushel

Season High	Season Low	Open	High	Low	Close	Chg.
2.49	2.07	2.07	2.07	2.06	2.06	-.01
2.49	2.07	2.07	2.07	2.06	2.06	-.01
2.49	2.09	2.09	2.09	2.08	2.08	-.01
2.49	2.12	2.12	2.12	2.11	2.11	-.01
2.49	2.17	2.17	2.17	2.16	2.16	-.01
2.49	2.22	2.22	2.22	2.21	2.21	-.01
2.49	2.27	2.27	2.27	2.26	2.26	-.01
2.49	2.32	2.32	2.32	2.31	2.31	-.01
2.49	2.37	2.37	2.37	2.36	2.36	-.01
2.49	2.42	2.42	2.42	2.41	2.41	-.01

Est. Sales 1,000 Prev. Sales 1,364
Prev. Day Open Int. 111,121 up 364

SOYBEANS (CBT)
5,000 bu minimum - Dollars per bushel

Season High	Season Low	Open	High	Low	Close	Chg.
5.59	4.97	4.97	4.97	4.94	4.94	-.03
5.59	4.97	4.97	4.97	4.94	4.94	-.03
5.59	4.99	4.99	4.99	4.96	4.96	-.03
5.59	5.02	5.02	5.02	4.99	4.99	-.03
5.59	5.07	5.07	5.07	5.04	5.04	-.03
5.59	5.12	5.12	5.12	5.09	5.09	-.03
5.59	5.17	5.17	5.17	5.14	5.14	-.03
5.59	5.22	5.22	5.22	5.19	5.19	-.03
5.59	5.27	5.27	5.27	5.24	5.24	-.03
5.59	5.32	5.32	5.32	5.29	5.29	-.03

Est. Sales 10,000 Prev. Sales 15,327
Prev. Day Open Int. 83,924 up 1,077

SOYBEAN MEAL (CBT)
100 tons - Dollars per ton

Season High	Season Low	Open	High	Low	Close	Chg.
167.00	144.50	144.50	144.50	143.00	143.00	+1.00

British Steel Reports Profit for Year

Reuters

LONDON — The government-owned British Steel Corp. announced Tuesday its first annual profit in more than a decade, overcoming losses that at one point reached £1 billion ($1.5 billion at current exchange rates).

British Steel's chairman, Bob Scholey, said the net profit in the year ending March 29 was £38 million, which he described as "quite spectacular," compared with a loss of £383 million last year and £1 billion in 1981.

The company said that productivity rose to a record high in the past year and that the profit, after 11 years of losses, was achieved by measures designed to adapt business to the current conditions.

Output of liquid steel, at 14 million metric tons (15.4 million short tons), was the highest in four years, the company said.

Mr. Scholey, who is also president of the organization of European Community Steel Producers, spoke of increased competition in the international steel market.

"Only the best and most efficient of the world's steelmakers, in terms of quality and cost, will survive," he said in an annual review.

Restructuring of British Steel in recent years has meant the closure of a number of plants. Last year's loss partly reflected the cost to the steel industry of a yearlong coal miners' strike.

Siemens Confident, Despite Lower Sales

Reuters

BONN — Siemens AG, the big West German electrical group, surfaced a 20-percent drop in sales in the first eight months of the current business year but is confident it can hold its annual profit at last year's level, the management board chairman, Karlheinz Kaske, said here Tuesday.

At a news conference in Rome, he blamed the drop in sales on a sharp fall in orders for Siemens's Kraftwerk Union AG subsidiary, which makes power stations, and the lower dollar.

"We are certain that the numbers will brighten up again in the next few months," he said.

Group sales in the eight months ended in May fell to 29.5 billion Deutsche marks (about $13.56 billion) from 36.7 billion DM in the same period of 1984-85. Domestic sales fell to 14 billion DM from 21 billion.

Sales last year were inflated by three nuclear power plant orders booked by KWU.

Mr. Kaske said he expected one atomic power station a year to be completed in West Germany until 1990, but foresaw no new orders. If West Germany were to cancel orders for all the nuclear plants currently under construction, it would cost 7,000 jobs, including layoffs at suppliers, he said.

Mr. Kaske said Siemens would step up its efforts to acquire France's state-owned Cie. Générale de Construction Téléphonique to gain a foothold in the vital French market for computerized switchboards.

Siemens fears the planned merger of the telecommunications units of ITT Corp. and France's state-owned Cie. Générale d'Electricité would mean that lucrative European markets, previously the preserve of national companies, would be shared out among participants in the ITT-CGE joint venture, company sources said.

Spanish and Belgian companies are also participating in the planned venture, which would be the world's second-largest telecommunications manufacturer after American Telephone & Telegraph Co.

France reportedly is eager to sell the unprofitable CGCT to a foreign buyer to set up a competitor to the ITT-CGE venture.

A management board member, Hans Baur, said that Siemens has already had talks with the French industry minister, Alain Madelin, on CGCT, but "he listened to our ideas and arguments and said neither yes nor no."

He said AT&T was also interested in acquiring CGCT.

Bosch Group Says Net Fell 10% in 1985

Reuters

STUTTGART — Robert Bosch GmbH reported Tuesday that world group net profit fell nearly 10 percent in 1985, to 402.1 million Deutsche marks (about $185 million at current rates), from 445.8 million the previous year.

Sales, however, were up 15.5 percent, to 21.2 billion DM, from 18.4 billion.

An unchanged 40-million-DM dividend, plus 4-million bonus, will be paid, with 90 percent going to the Robert Bosch Foundation, majority owner of Bosch, the chairman, Marcus Bierich, said.

He said Bosch is likely to show a net profit in 1986 near last year's level despite a rise of only 2.9 percent in sales in the first five months, to 8.95 billion DM.

World group sales would show slower growth this year, he said.

Bosch is West Germany's second-largest electronics group after Siemens AG. Sales of electrical parts for automobiles make up much of Bosch's revenues.

Mr. Bierich said the lower profit last year was the result of increased risk provisions and write-offs because of higher foreign revenue and increased risks. Reserves rose by around 680 million DM, or 11.4 percent, to almost 6 billion.

In the first five months of this year, Bosch group revenue rose by 7.9 percent after taking into account price and exchange-rate changes, while domestic revenue rose by 7.1 percent, he said.

Last year parent company sales in the period rose 16.8 percent to 12.5 billion DM from 10.7 billion the previous year, giving a net profit of 224 million DM, 20 percent lower than 280 million the previous year.

Domestic and overseas business contributed to last year's increase in sales, Mr. Bierich said. Foreign business rose by 18 percent.

World Bank Backs Free Farm Trade

By Clyde H. Farnsworth

New York Times Service

WASHINGTON — If the United States, Western Europe and Japan stopped protecting agriculture, their taxpayers and consumers would save $100 billion a year and developing countries could earn up to $18.3 billion more to help pay their debts, the World Bank has reported in a study.

More than half of the bank's 1986 World Development Report, an annual assessment of Third World economic conditions, was devoted to agriculture — an increasingly contentious issue in today's world of mounting surpluses, falling prices, rising trade frictions and acute debt problems.

The 256-page report was released Monday, just two months before the expected start of a new round of trade negotiations in which agriculture will be a central issue. It provided the strongest case for liberalization yet made by any international economic institution.

"So why do countries not tear down their agricultural policies?" the report asked. "The reason, of course, is that the interest groups whose support the policies aim to capture would lose."

American officials said they had not yet seen the report. But they noted that with budget deficits a rising concern in Washington and elsewhere, any ideas for savings had to be closely examined.

Legislators from farm states, however, are certain to fight any cutbacks in agricultural programs. The World Bank is already under fire from these legislators for recent loans to two big debtor countries — Argentina and Brazil — to help farming become more efficient.

The report emphasized that losses to farmers would be cushioned if countries liberalized their farm policies together rather than individually.

The bank's explanation was that producer prices would not fall as far as fast.

For example, unilateral liberalization of American dairy policy would imply a cut in U.S. producer prices of as much as 46 percent. But if all industrial countries were to liberalize simultaneously, world dairy prices would rise 27 percent, and the U.S. producer price would fall only 24 percent, it said.

If developing countries liberalized as well, the bank said the increased demand would actually lift the world dairy price above the former protected price in the United States.

The report pointed to the myriad, costly inconsistencies of present farm policies. Farmers in the European Community last year received 18 cents a pound for sugar that was then sold on the world market for 5 cents a pound; at the same time the EC imported sugar at 18 cents a pound.

The report said the U.S. government's farm costs would probably rise to $20 billion a year over the next three years under the Farm Security Act of 1985. It placed EC costs at $23.5 billion in 1984.

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COMPANY NOTES

Armco Inc. said it would take a special charge of $150 million against second-quarter results for the consolidation of inefficient facilities and the divestiture of several units. It said it had agreed to sell its construction-products division, Wilbur Smith & Associates, and Armco Atlantic Inc.

Elders DEL Ltd.'s finance arm, Elders Finance Group, will take up to a 5-percent holding in a new Indian investment bank, South Asian Financial Exchange Ltd., subject to India's approval. The bank is being established with 50 million ($4.05 million) rupees paid capital.

Ferrosanta AB, the Swedish biotechnology company, said its previously announced tender offer for 4.35 million Techamerica Group Inc. shares, or 51 percent, at $4 each would expire Aug. 4 and withdrawal rights would expire July 28.

Grant Thornton, a U.S. accounting firm, said it had settled the largest group of claims arising from the collapse of ESM Government Securities for $50 million: ESM was placed in receivership in 1985 amid allegations that fraud would cost its customers, mostly savings and loan associations, $300 million.

Libbey-Owens-Ford Co.'s fluid power and plastics divisions will be renamed Trinova Corp. if shareholders approve the change at a meeting July 31. In April, the company sold its glass operations and the rights to the names Libbey-Owens-Ford and LOF to Pilkington Brothers PLC of Britain.

Piedmont Aviation Inc. has agreed to acquire Jetstream International Airlines of Erie, Pennsylvania, which operates as a Piedmont commuter airline affiliate, for undisclosed terms.

Seafirst Corp. said five former top executives will pay $110 million to Seafirst to settle a pending lawsuit against them. Seafirst filed the suit after losses of hundreds of millions of dollars related to the collapse of Penn Square Bank in Oklahoma City in 1982. It was acquired by Bank of America in 1983.

Toyo Engineering Corp. of Japan announced an order for an oil-residue cracking plant from East Germany's Industriemanagen-Import, a government-run body that imports industrial plants. Industry sources estimated the value at about 22 billion yen ($137.5 million).

Vickers PLC has lost its compensation claim before the European Court of Human Rights in Strasbourg, France, for the 1977 nationalization of its aircraft and shipbuilding interests. A Vickers spokesman said there was no further avenue of appeal in the claim of £300 million ($450 million).

Westpac Banking Corp. of Australia plans to raise the primary capital of the U.S. primary government bond dealer, Wm. E. Pollock Government Securities Inc., to $100 million from $47 million. Westpac, Australia's largest bank, has agreed to acquire Pollock for $115 million.

CBS Net Jumped 55% in 2d Period

The Associated Press

NEW YORK — CBS Inc. said Tuesday that its second-quarter profit jumped 55 percent, to $107.2 million from $69.3 million in the like 1985 period, but said the gain reflected a weak performance the year before.

Revenue was almost unchanged at $1.22 billion, while operating income rose 17 percent, to $106.9 million from $91.6 million. But CBS attributed that gain primarily to a lower tax rate and the sale of its St. Louis television station. Per-share profit for the three months ended June 30 soared to $4.42 from $2.33 because the company bought back 21 percent of its stock last summer.

In the 1985 quarter, CBS's net profit was eroded by a one-time charge from the sale of its musical instruments business and losses from operations that were later discontinued.

Du Pont to Buy Baxter Travenol's Critical-Care Unit

The Associated Press

DEERFIELD, Illinois — Baxter Travenol Laboratories has agreed to sell its American Critical Care to Du Pont Co. for about $425 million, the companies announced today.

American Critical Care primarily develops and manufactures hospital critical care and cardiovascular drugs.

Du Pont said the transaction will be mostly in cash, and will include additional amounts based on future sales of patented drugs under development. The transaction is subject to regulatory and shareholder approval and is expected to be completed in September.

Baxter Travenol also said it is studying offers to buy its Flint Laboratories unit. Flint manufactures and markets drugs to physicians.

The sale of the two subsidiaries follows Baxter Travenol's $3.8-billion merger with American Hospital Supply Corp. last year. Part of the proceeds will be used to repay debt incurred in the merger.

The sale of the two subsidiaries, which had been expected, is part of a consolidation that also includes cutting about 10 percent of the combined work force of Travenol and AHS.

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$50,000,000

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In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank Plc, and Citibank, N.A., dated July 2, 1986, notice is hereby given that the Rate of Interest has been fixed at 10⅝% p.a. The relevant Interest Payment Date is January 8, 1987 (making an interest period of 184 days), and payment will be made against Coupon No. 13. The value of Coupon No. 12 payable on July 8, 1986 is U.S. $97.18.

Lloyds Bank

July 9, 1986, London

By: Citibank, N.A. (CSI Dept), Agent Bank

CITIBANK

WORLD FUND

Société Anonyme

Registered Office: 2 Boulevard Royal - Luxembourg

R.C. Luxembourg B-21310

Shareholders are hereby convened to the

ANNUAL GENERAL MEETING

of Shareholders of World Fund S.A. to be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2 Boulevard Royal, Luxembourg, on July 25th, 1986 at 11:00 a.m. with the following agenda:

1. Submittal of the reports of the board of Directors and of the Statutory Auditor;
2. Approval of the Balance Sheet and of the Profit and Loss statements as at April 30, 1986; appropriation of the profits;
3. Discharge of the Directors and of the Statutory Auditor;
4. Ratification of cooptation of a director;
5. Receipt of and action on nomination of the Directors and of the Statutory Auditor;
6. Miscellaneous.

The shareholders are advised that no quorum is required for the items of the agenda of the annual general meeting and that decisions will be taken at the simple majority of the shares present or represented at the meeting with the restriction that no shareholder, neither by himself nor by proxy, may vote for a number of shares in excess of one fifth of the outstanding shares or two fifths of the shares present or represented at the meeting.

In order to attend the meeting of July 25th, 1986 the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with the following banks:

— Banque Internationale à Luxembourg S.A.
2 Boulevard Royal
LUXEMBOURG

— Lombard Odier & Cie.
Rue de la Corraterie, 11
CH - 1204 GENEVE

THE BOARD OF DIRECTORS

IIF

To the Holders of

International Income Fund

Short Term 'A' Units
Distribution Units – In Bearer Form

Short Term 'B' Units
Distribution Units – In Bearer Form

Midland Bank Trust Corporation (Jersey) Limited as Trustee of the above mentioned Fund has declared the following dividends per Unit for the financial period ended 30th June, 1986, payable on 31st July, 1986 in respect of Units in issue on 30th June, 1986:—

Short Term 'A' Units – Distribution Units
US$0.0082 per Unit – Payable against Coupon No. 10.
Short Term 'B' Units – Distribution Units
US$0.0142 per Unit – Payable against Coupon No. 10.

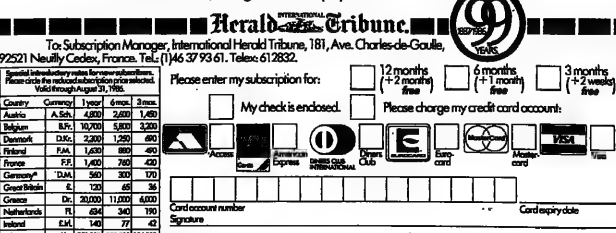
Unit holders should send their Coupons to either the Trustee at 28/34 Hill Street, St. Helier, Jersey, Channel Islands or to one of the following Paying Agents:–

EBC Trust Company (Jersey) Limited, EBC House, 1-3 Seale Street, St. Helier, Jersey, C.I.
Bankers Trust Company, One Bankers Trust Plaza, New York, N.Y. 10005.
Banque Générale du Luxembourg S.A., 14 Rue Aldringen, Luxembourg.

Midland Bank Trust Corporation (Jersey) Limited
Trustee

Dated 4th July, 1986

President Reagan and Soviet leader Gorbachev



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Finland	F.M.	1,630	880	490
France	F.F.	1,400	760	420
Germany*	D.M.	560	300	170
Great Britain	£	120	65	36
Greece	Dr.	20,000	11,000	6,000
Netherlands	Fl.	634	340	190
Ireland	E.M.	140	77	42
Italy	Lire	250,000	190,000	105,000
Luxembourg	L.Fr.	10,700	5,800	3,200
Norway*	N.Kr.	1,650	900	500
Portugal	Esc.	19,000	10,400	5,700
Spain*	Pes.	26,500	14,600	8,000
Sweden*	S.Kr.	1,700	920	550
Switzerland	S.Fr.	490	270	148
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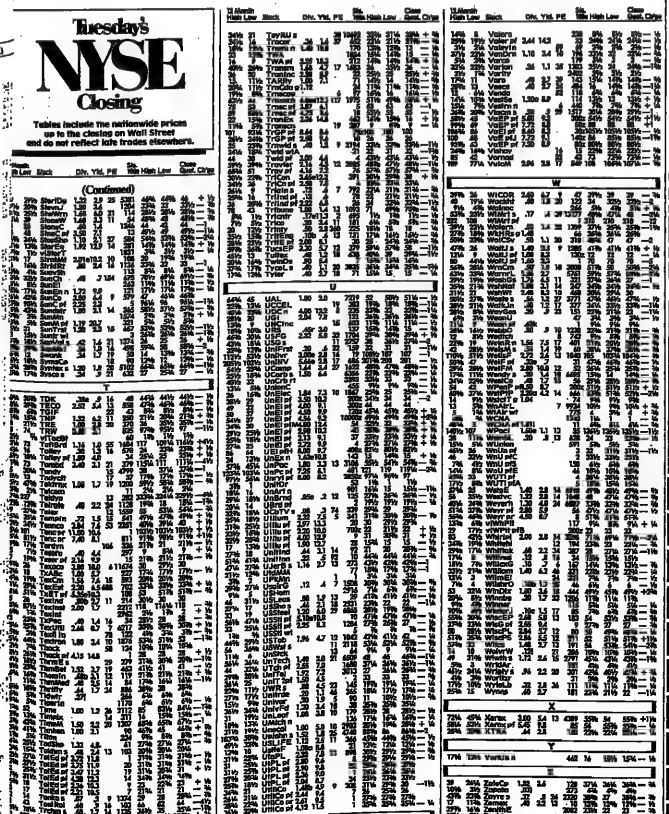
Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)



Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls. 100s	High	Low	Close	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMEX Highs-Lows

NEW HIGHS 1

Brown For B — Service

NEW LOWS 30

CMD pfC — CamarCorp — Cable — Dia-Log — Orthodx Ex A — Ortho Diag — Hahnemn — IRE Fnd A — Kaufman — Lear Sgl — Lehigh Ind — MCO Res — Nanosc Dv — Nanosc Ch — Oshkosh A — Oshkosh B — Sensor Dev — Sensor Ch — Wang Lab C — Wang Lab D — Zenith

Floating-Rate Notes

July 8

Dollars

Issuer/Mat.	Coupon	Next	Bid	Asked
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Pounds Sterling

Issuer/Mat.	Coupon	Next	Bid	Asked
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Deutsche Marks

Issuer/Mat.	Coupon	Next	Bid	Asked
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

E.C.U.

Issuer/Mat.	Coupon	Next	Bid	Asked
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Japanese Yen

Issuer/Mat.	Coupon	Next	Bid	Asked
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: Credit Suisse First Boston Ltd., London

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 8 July 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on bases prices.
The marginal symbols indicate frequency of quotations supplied: (d) = daily; (w) = weekly; (bi) = bi-monthly; (r) = regularly; (i) = irregularly.

[illegible]	[illegible]

DM = Deutsche Mark; BF = Belgium Francs; FL = Dutch Florin; LF = Luxembourg Francs; ECU = European Currency Unit; SF = Swiss Francs; g = asked; + = Offer Price is bid chosen P/V 910 to 31 per unit; (N.A.) = Not Available; N.C. = Not Commercial Fund; R = New; S = suspended; ex = Ex-Div.; ex-Rts = Ex-Rights; Swiss Performance Index December; = = Current Price Ex-Coupon; ** = Formerly Worldwide Fund Ltd.; @ = Offer Price incl. 3% sales charge; ++ = daily stock price as on Amsterdam Stock Exchange

Asia Pacific Growth Fund

Weekly net asset value on 4-7-1986 US $23.92

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V. Herengracht 214, 1016 BS Amsterdam.

National Westminster Bank PLC

(Incorporated in England with limited liability)

U.S. $500,000,000 PRIMARY CAPITAL FRN'S (SERIES "A")

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 9 July, 1986 to 9 January, 1987 the Notes will carry an Interest Rate of 6⅝% per annum. The interest payable on the relevant interest payment date, 9 January, 1987 against Coupon No. 3 will be U.S. $3,545.83 and U.S. $354.58 respectively for Notes in denominations of U.S. $100,000 and U.S. $10,000.

By The Chase Manhattan Bank, N.A., London Agent Bank

9 July, 1986

Okita Joins Boston Consulting Firm as Adviser

By Brenda Erdmann
International Herald Tribune

LONDON — Arthur D. Little Inc., a Boston-based business consulting firm, has invited Saburo Okita, a former Japanese foreign minister and noted economist for developing economies, to become its adviser to its Management Consulting Board.

Mr. Okita is the board's first Japanese adviser. Besides serving as foreign minister from 1979 to 1980, Mr. Okita has held various posts in international organizations and in the Japanese government, among them government representative for external economic relations and member of the United Nations Committee for Development Planning.

International Business Machines Corp. has named Paul J. Kofmehl group executive of IBM World Trade Americas Group, effective Sept. 1. He was president of IBM World Trade Europe/Middle East/Africa Corp. and director general of IBM Europe. IBM World Trade Americas Group, a new organization with headquarters in Mount Pleasant, New York, is responsible for IBM's marketing, service, development and manufacturing operations in Canada and Latin America.

Siemens Ltd., the British arm of the West German electricals group, has named Sir John (Jock) Lang Taylor as chairman. Sir Jock, a former British ambassador to West Germany, succeeds Hannes Vahl, who has retired as chairman and managing director. Mr. Vahl rejoins the subsidiary's board as a nonexecutive director. Juergen Gehrels has been appointed managing director. He was with the parent, Siemens AG, where he oversaw industrial electronics for the factory automation division of the company's power engineering and automation group.

China Hotel's manager, Joseph Burger, has been made an honorary citizen of Canton in recognition of his work for the city and hotel, which he has managed since its opening in 1981. Chinese sources said Mr. Burger was the first foreigner to be granted this honor.

Midland Bank PLC has elected Ernst W. Brutsche and Hervé de Carmoy as directors, effective Sept. 1. Mr. Brutsche is in charge of group treasury, while Mr. de Carmoy is chief executive of international operations. Mr. de Carmoy is also chairman of the supervisory board of Midland Bank SA, the French arm, and deputy chairman of the supervisory board of Trinkaus & Burkhardt, Midland's investment bank in West Germany.

CSFB-Effectenbank of Frankfurt said Stephan Tribull has joined as head of the newly formed swap department. He was with Commerzbank AG in Frankfurt.

AMC: *Labor and Other Problems Are Testing the Optimism of Its New CEO*

(Continued from first finance page)

labor Renault. The French company has invested $645 million in the U.S. partner since 1979 and owns 46.4 percent of AMC's stock. And as long as AMC has Renault, it has a chance to live, said Donald DeScenza, an analyst for Nomura Securities International Inc. in New York.

"Renault wants to sell cars in the United States. Mr. DeScenza said. "If AMC went under, Renault would have no way of participating in the world's largest and richest consumer market."

But AMC officials are not just trying off Renault's handouts, Mr. DeScenza said. They are using the money wisely, "making some good moves" to improve AMC's prospects for long-term success, he said. Chief among those is the most ambitious product launch at AMC since its formation in 1954.

Next year, AMC will move into the compact-car segment, where it now has no entries, with imported Renault Medallion sedans and station wagons. Later in the year it will import a $30,000, high-performance sports car, the Renault Alpine, to compete with Porsche and the Chevrolet Corvette.

And in the fall AMC plans to introduce a midsize sedan, the Premier, to be produced at an ultramodern, $675-million plant under construction in Brampton, Ontario.

Mr. Cappy said AMC desperately needs the bigger cars to attract more customers and to give it more pricing flexibility against bigger competitors.

AMC is also trying to profit from its competitors' good fortune. Last week, it agreed to use its underutilized plant in Kenosha, Wisconsin, to assemble three big Chrysler Corp. models, the Plymouth Gran Fury, Chrysler Fifth Avenue and Dodge Diplomat.

Chrysler now assembles these models in St. Louis. But that facility is needed to produce minivans. Chrysler is doing so well that it had to choose between the extremely expensive step of building another plant, or the far less costly alternative of getting someone else to assemble the cars.

AMC was happy to get the work, and may seek other such contracts.

"I want to be profitable on an ongoing basis," Mr. Cappy said. "I can't do that by just sitting here and trying to do things the way they've been done in the past. That'll never work. We've got to be aggressive."

But Mr. Cappy conceded that other problems seem more intractable. Labor is one of them.

AMC has always been a victim of its small size. Whereas GM, Ford, and even Chrysler could afford to take strikes in the past, a strike would have knocked out all of AMC's car or Jeep production.

AMC usually solved its labor problems by saying "yes" to the virtually autonomous UAW locals. Observers agree that AMC said yes so often that its unions wound up with better pay benefits than their counterparts at other companies.

AMC's most recent, and perhaps most costly, concession occurred in 1982 during the nadir of the last recession. Workers at AMC agreed to give up $142.1 million in wages and time off contingent on an agreement by the company to make up the lost earnings through a "wheel tax," beginning in 1985. Under the wheel-tax, UAW-represented Jeep workers would have had $1.9 million set aside for reimbursement of past sacrifices.

AMC said last year that it could not afford the plan, and has worked out a less onerous profit-sharing agreement with its workers at Kenosha.

But workers at the now-prosperous Jeep plant in Toledo, Ohio, last week rejected a proposal to scrap the wheel tax in favor of profit sharing. AMC responded by taking steps to shut down the facility.

The partnership with Renault has increased AMC's production options, Mr. Cappy said, implying that AMC might shift Jeep production elsewhere. "We are not, by any means, just waiting here like sitting ducks. The biggest problem with the Toledo union is that they don't appreciate that."

All of this makes analysts nervous. Renault's own shaky financial condition increases their discomfort. The French company lost losses of $1.79 billion in 1984, $1.56 billion in 1985 and $18.9 million in the first quarter of 1986.

"If it doesn't solve its labor problems at Toledo, it's going to hurt Jeep," said Christopher Cedergren, an analyst with J.D. Power & Associates in California.

"The best thing for AMC to do right now is to get out of the passenger car business and to put all of its resources into Jeep," he said.

Said another analyst: "The same thing is going to happen to AMC in midsize cars that's happened to them in small cars. And if the union keeps acting up at Jeep, that's going to make them vulnerable on that end. I truly can't believe that this company keeps going on. It amazes me that they stay alive."

Mr. Cappy has heard the dirge before. "I remember back when everybody was trying to bury Chrysler," he said, referring to that company's near bankruptcy in 1979-1980. "I was talking to one of my friends over there, and I asked him about it and he said: 'You know, Joe, something this big doesn't die that quickly.'"

U.S. Consumers Lift Debt 11.6%

United Press International

WASHINGTON — Americans increased their short-term installment debt by 11.6 percent at an annual rate in May, up from a revised 9.4 percent in April, the Federal Reserve Board said Tuesday.

Consumer installment credit outstanding at the end of May increased by a seasonally adjusted $5.59 billion from the previous month, to $560.62 billion, following a revised $4.3 billion gain in April, the Fed said in a statistical report. The 11.6-percent annual rate of gain was the highest since January.

Automobile loans outstanding increased $2.82 billion, following a revised $878-million gain in April, the report said. Revolving credit expanded by $925 million, to $124.37 billion.

MANAGER: *What Liability?*

(Continued from first finance page)

and tough prison sentences would leave executives who did not willfully cause an employee's death open to all kinds of accusations.

Some British unions also argue that sending executives to jail, even in extreme cases, is not likely to improve corporations' safety records. They believe that larger fines will get the desired results.

"I can't see the point of imprisonment," said Fergus Whitty of the Transport and General Workers' Union in London. "Sending these cowboys to jail will not improve their conduct. But if the fine is substantial enough, it could drive them out of the industry. Remaining companies then would not have to cut costs at the expense of safety to be able to compete."

Companies often complain that their competitors undercut prices by skimping on essential safety measures.

Other unions argue that prison terms for executives would be good shock value and would encourage corporate compliance with the necessary safety rules.

CURRENCY MARKETS

Dollar Closes Lower in New York

Reuters

NEW YORK — The dollar closed sharply lower in New York Tuesday after a day of quiet trading. Dealers said the decline showed that Monday's rebound was primarily technical.

"The 2.20-German-mark level that was seen as a floor now appears to be a ceiling for the dollar," said Trevor Woodland, vice president at Chicago's Harris Bank.

Mr. Woodland said the dollar still seemed to be "on a gentle downward trend."

But he said the emerging view the Federal Reserve Board will wait to reduce the discount rate will restrain any impulse for heavy dollar selling and "the market still is looking over its shoulder at central banks."

In New York, the dollar closed at 2.1740 Deutsche marks, down from 2.1900 DM at Monday's close; at 159.75 yen, down from 162.25; at 6.9555 French francs, down from 7.0145, and at 1.7700 Swiss francs, down from 1.7875.

It also lost some ground against the British pound, which closed at $1.5330, up from $1.5295.

London Dollar Rates

Closing	Tue.	Mon.
Deutsche mark	2.1885	2.1920
Pound sterling	1.5315	1.5330
Japanese yen	160.55	160.70
Swiss franc	1.7750	1.7885
French franc	6.9700	6.9875

Source: Reuters

Bearish sentiment on expectations of a discount-rate cut faded after The Washington Post reported on divisions between members of the U.S. Federal Open Market Committee on whether to relax monetary and interest-rate policies.

The FOMC is the policy-making arm of the Federal Reserve Board.

The Post reported that several FOMC members were reluctant to cut the rate. The report, citing fears of rising inflation, surging money-supply growth and the vulnerability of the dollar, dampened market expectations that the Fed was about to cut its 6.5-percent rate.

"People still believe that the Fed won't be able to resist strong political pressure for lower rates to kick the economy," a dealer in London said. "But I wouldn't be surprised if it didn't happen."

In Europe, the dollar was little changed from Monday's close. The dollar finished in London at 2.1805 DM, down marginally from 2.1828 at Monday's close, and at 160.95 yen, from 160.70. The British pound closed at $1.5315, compared with $1.5350.

Dealers said covering of short positions taken last week before the Japanese elections helped the dollar recover from lows in London.

Although U.S. pressure for a lower dollar could increase now that Japan's elections are over, the market is reluctant to test the resolve of central banks by selling too aggressively, dealers said.

In other European trading, the dollar was fixed in Frankfurt at 2.1735 DM, up from 2.1694, and in Paris at 6.9630 French francs, up from 6.9440.

It closed in Zurich at 1.7680 Swiss francs, up from 1.7663.

(UPI, Reuters, IHT)

THE EUROMARKETS

Prices Ease as Operators Keep a Low Profile

By Christopher Pizzey
Reuters

LONDON — The Eurobond market finished easier Tuesday after a fairly quiet day of trading during which retail operators again kept a low profile, dealers said.

They noted that the policy-making U.S. Federal Open Market Committee was meeting Tuesday and Wednesday and that professionals will be watching the Federal Reserve Board's subsequent moves for clues about policy shifts.

The primary market was also quiet, with no U.S. dollar straights being launched. But some interest was aroused by the introduction of a zero-coupon bond in New Zealand dollars for the overseas unit of an Australian bank.

The seven-year issue was for the Rural & Industries Bank of Western Australia's London branch and has a total redemption amount of 250 million New Zealand dollars. It was priced at 39.

Because the issue was for an offshore unit of the bank and the funds are to remain offshore, it will not attract withholding tax. It carries the statutory guarantee of the government of Western Australia.

The issue ended at a discount of 1¼, just inside the 1⅜-percent fees. Less the full fees, it was priced to yield 15.04 percent to maturity. It was lead managed by Cibc Ltd.

Regie des Télégraphs et Téléphones issued a $100-million bond that has its final redemption linked to the price of the U.S. Treasury 30-year long bond. The three-year bond pays 10 percent and was priced at 101⅝.

The issue did not trade actively on the gray market and was bid on the full fees of 1⅞ percent. The lead manager was Morgan Guaranty Ltd., which said the borrower had swapped the proceeds of the issue into Deutsche marks and Swiss francs at sub-Libor rates.

In the French-franc sector, an issue for the Mortgage Bank of Denmark emerged as a 500-million-franc retractable-adjustable bond. Final maturity is in 2001 but terms can be reset each five years.

The coupon for the first five years is 8 percent and the issue was priced at 100¼. Lead manager was Crédit Commercial de France, and the issue ended at a discount of 1¼, inside the 1⅜-percent fees.

Marubeni Hong Kong Ltd. issued a $50-million, five-year, deferred-coupon bond. It pays a coupon of 34 percent in year four and an 8½-percent coupon on maturity. It was lead managed by New Japan Securities Europe Ltd. and did not trade actively on the gray market.

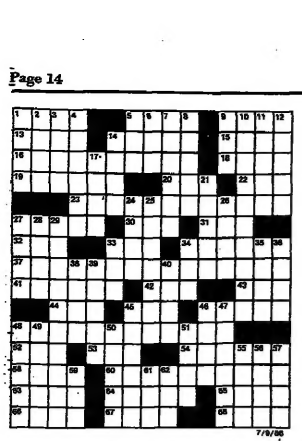
Tuesday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.

Via The Associated Press

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day, where a split or stock dividend amounts to 25 percent or more have been adjusted. Year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
f — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.



ACROSS

1 Shakespeare's river
5 Resorts
9 Last word
12 Sup
14 Culpability
15 Dreadful
16 Alabama reptile?
18 Type of job
19 Solid alcohol
20 Alfonso's queen
22 Employ
23 New York crustacean?
27 Woodland deity
30 Simian
31 Actress Caldwell
32 Monroe's —— of Good Feeling
33 Tear
34 Kind of pig or pepper
37 Olio feline?
41 Mountains in Wyoming
42 "Auld —— Morris," Burns poem
43 Reno-to-Vegas dir.
44 Be sick
45 Alice's boss on TV
46 Sahara water holes
48 Washington ovine animal?
52 Boxing great
53 Finish first
54 Light dessert
58 Stars
60 Illinois fowl?
63 Augury
64 Sheepshank and half hitch
65 Joie de vivre
66 Proboscis
67 Rational
68 Relief

DOWN

1 Increases
2 S.E. Asian
3 Fatty-tale opener
4 Close at hand
5 Big ——, Calif.
6 Abyss
7 Mendelian gene
8 Dictation whiz
9 Commercials
10 Quality of an electronic chip
11 Irregularly notched
12 More recent
14 Chasm
17 Circuit
21 N.Y.C.'s Bells
24 "I'll Be Seeing You" composer
25 Clothing
26 Evening, in Paris
27 Religious group
28 Author Eliav
29 Teases
33 Hosp. workers
34 Adjustable piece of metal
35 Start of Tarkeel's motto
36 "——Death," in a Grieg opus
38 Spiral
39 Lincoln, to the Todds
40 Exaction
45 Tomorrow, in Taxco
46 Melville novel
47 Mistreated
48 Kind of train
49 Texas shrine
50 Candle items
51 Andy's sidekick
55 W.W. II battle site
56 Circus animal
57 Coastal tier
58 Chemical suffix
61 Charged atom
62 Map abbr.

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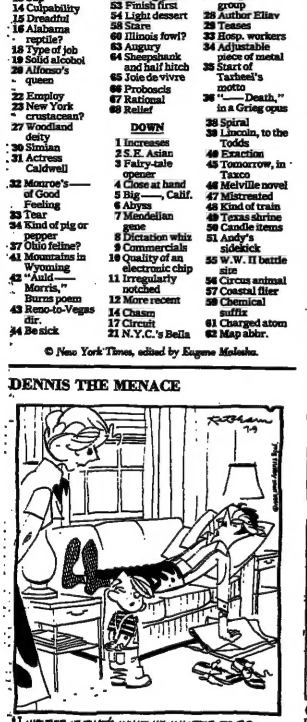
DENNIS THE MENACE



"I WONDER IF THAT'S WHAT HE WANTED TO DO WHEN HE GREW UP?"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

VEDEL

KELUF

RAMAAD

LAPLID

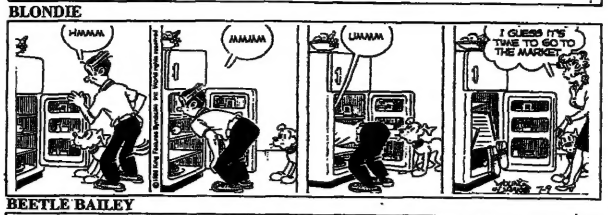
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: (Answers tomorrow)

Yesterday's Jumbles: GULE BASIN FLORID ENCITE
Answer: Food some people find edible might seem this to others—INCREDIBLE

PEANUTS

BLONDIE



BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	22	72	17	63	sh
Amsterdam	22	72	14	57	sh
Athens	31	88	20	70	fr
Barcelona	26	79	21	70	pc
Belgrade	29	79	19	66	s
Berlin	18	64	11	52	sh
Brussels	17	63	13	55	sh
Budapest	26	79	14	57	s
Copenhagen	17	63	11	52	sh
Costa Del Sol	26	82	20	68	fr
Dublin	17	63	13	54	sh
Edinburgh	16	61	10	50	pc
Florence	29	84	17	63	s
Frankfurt	17	63	13	55	cl
Geneva	23	73	10	50	cl
Helsinki	22	72	12	54	pc
Istanbul	31	88	19	66	fr
Las Palmas	25	77	20	68	fr
Lisbon	26	79	16	61	fr
London	20	68	13	55	s
Madrid	30	86	17	63	fr
Majorca	26	79	19	66	fr
Malaga	26	79	20	68	fr
Moscow	25	77	13	55	s
Munich	19	66	12	54	s
Nice	29	84	20	68	fr
Oslo	19	66	11	52	s
Paris	19	66	11	52	s
Prague	17	63	11	52	sh
Reykjavik	13	55	5	41	sh
Rome	30	86	18	64	fr
Stockholm	20	68	12	54	fr
Strasbourg	19	66	14	57	s
Vienna	21	70	14	57	s
Warsaw	20	68	12	54	s
Zurich	17	63	13	55	s

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	27	81	s
Beijing	30	86	21	70	s
Hong Kong	30	86	27	81	cl
Manila	32	90	27	81	s
New Delhi	37	99	27	81	s
Seoul	29	84	21	70	s
Shanghai	30	86	24	75	s
Singapore	31	88	26	79	s
Taipei	31	88	24	75	s
Tokyo	29	84	22	72	s

AFRICA	HIGH C	HIGH F	LOW C	LOW F	
Algiers	31	88	19	66	fr
Cairo	34	93	22	72	fr
Cape Town	17	63	12	54	s
Casablanca	25	77	19	66	cl
Harare	29	84	14	57	cl
Lagos	28	82	24	75	cl
Nairobi	26	79	14	57	s
Tunis	31	88	21	70	fr

LATIN AMERICA	HIGH C	HIGH F	LOW C	LOW F	
Buenos Aires	18	64	7	45	fr
Caracas	29	84	19	66	fr
Lima	18	64	13	55	s
Mexico City	26	79	12	54	sh
Rio de Janeiro	32	90	24	75	s

NORTH AMERICA	HIGH C	HIGH F	LOW C	LOW F	
Anchorage	14	57	7	45	pc
Atlanta	32	90	23	73	fr
Boston	26	79	21	70	fr
Chicago	30	86	21	70	fr
Denver	28	82	14	57	s
Honolulu	32	90	24	75	s
Houston	34	93	24	75	pc
Los Angeles	26	79	16	61	pc
Miami	32	90	24	75	pc
Minneapolis	28	82	17	63	s
Montreal	26	79	14	57	s
New Orleans	32	90	24	75	s
New York	29	84	21	70	fr
San Francisco	18	64	12	54	fr
Seattle	21	70	13	55	cl
Toronto	27	81	17	63	s
Washington	32	90	24	75	fr

MIDDLE EAST	HIGH C	HIGH F	LOW C	LOW F	
Ankara	31	88	13	55	fr
Beirut	26	79	19	66	sh
Cairo	34	93	22	72	fr
Damascus	31	88	17	63	fr
Jerusalem	31	88	21	70	fr
Tel Aviv	31	88	21	70	fr

OCEANIA	HIGH C	HIGH F	LOW C	LOW F	
Auckland	12	54	5	41	fr
Sydney	14	57	8	46	s

WEDNESDAY'S FORECAST: [illegible]

BOOKS

ENTER TALKING

By Joan Rivers, with Richard Meryman. 398 pages. $17.95. Delacorte Press, 1 Dag Hammarskjold Plaza, New York, N.Y. 10017.

Reviewed by Alida Becker

THERE'S a certain justice in the fact that Joan Rivers ends this saga of her climb to stardom with the scene that turned her career around: a last-minute guest appearance on "The Tonight Show." At 31, she was considered too old and shopworn to make it as a comedian, but Johnny Carson thought she was funny and the rest, as they say, is history. Recently, though, Rivers announced that she would host a talk show in competition with her mentor. Carson stopped talking to her.

It was the kind of nightmarish deflation of success Rivers claims she always expects, the perfect coda to a memoir that tells a sad tale of humiliating rejection, carefully cataloged slights and gritty obsession. There have surely been good times, but you won't find them here. Instead, you'll meet a woman who believes everything she's worked for could vanish tomorrow, who even after she became a headline act would clean out her dressing room every night, convinced she'd be fired before the next performance. This kind of insecurity obviously takes a lot of nurturing, and "Enter Talking" explains, usually in whiningly dowbeat detail, how it all came about.

The early villains were Rivers's parents, a woefully mismatched New York doctor and his status-conscious, spendthrift wife. Emotionally barren, always arguing about money, they did their best to make proper Jewish princesses out of their two daughters. Stage-struck Joan Molinsky remained a more or less permanent resident of her parents' house throughout her 20s, making the rounds of talent agencies while her family conspired to divert her into a good marriage or a respectable occupation.

"The conventional diagnosis of comics," Rivers explains, "holds that they are hypersensitive, angry, paranoid people who feel somehow cheated of life's goodies and are laughing to keep from crying. I agree, but think comedy is more aggressive than that. It is a medium for revenge." This seems to be the underlying mood. Even her successes — a jammy USO tour, a stint at Second City in Chicago, the patronage of a maternal Greenwich Village club owner — are tarnished by griping.

Rivers's early romances are similarly blighted. Her first marriage, to the son of a department store manager, ended after six months; an immensely supportive Italian boyfriend was dumped because he lacked class and ambition; a handsome "true love" turned out to be a leech; the lyricist she wooed for a song never was gay. Small wonder that she found a professional persona in "the lower single p... bemoaning her life," playing from what a critic called a "stream-of-consciousness script."

"If anybody is tempted to think, Poor Joan Rivers, so insecure, so driven, so unhappy," she writes, "do not bother. Be glad for me. Thank God I am driven. Being driven is my comic source. It is my fun." Maybe for her, but hard for the rest of us.

Alida Becker, a director of the National Book Critics Circle, wrote this review for The Washington Post.

Solution to Previous Puzzle

M	A	N	T	A		A	T	K	A		S	P A
A	B	E	A	M		B	R	E	M		A	T A N
C	L	A	M	P		E	A	R	N		S	E R T
S	E	R	P	E	N	T	I	N	E		T	I E R
			R	A	S	P	A	M	A	N	D	A
D	A	I	S	E	S		S	O	L	A	R	
A	V	O	N		A	V	E	R		G	A	I M
N	O	T	A	B	L	E		A	V	I	G	N O N
	W	A	K	E		S	A	L	E		U	S N A
		E	D	I	T	S		R	E	S	T	O N
L	A	T	E	E	N		T	O	G	A		
A	M	O	Y		G	A	R	T	E	R	B	E L T
B	O	N	E		O	M	I	T		L	A	M E R
O	R	E	S		T	I	D	E		A	R	I S E
R	E	D			S	E	E	R		P	E	T E S

7/9/86

BEST SELLERS

The New York Times

This list is based on returns from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week
1	THE LAST OF THE BREED, by Louis L'Amour	1
2	THE BOURNE SUPREMACY, by Robert Ludlum	2
3	ACT OF WILL, by Barbara Taylor Bradford	3
4	A PERFECT SPY, by John Le Carré	4
5	THE EIGHTH COMMANDMENT, by Lawrence Sanders	5
6	THE GARDEN OF EDEN, by Ernest Hemingway	7
7	I'LL TAKE MANHATTAN, by Judith Krantz	6
8	TAMING A SEA-HORSE, by Robert B. Parker	8
9	LAKE WOBEGON DAYS, by Garrison Keillor	9
10	GONE WITH THE WIND, by Margaret Mitchell	10
11	THE GOOD MOTHER, by Sue Miller	11
12	BAHAMA ISLAND, by John D. MacDonald	12
13	THE MAMMOTH HUNTERS, by Jean M. Auel	13
14	LIE DOWN WITH LIONS, by Ken Follett	14
15	A MATTER OF HONOR, by Jeffrey Archer	15

NONFICTION

This Week		Last Week
1	FATHERHOOD, by Bill Cosby	1
2	YOU'RE ONLY OLD ONCE! by Dr. Seuss	2
3	JAMES HERRIOT'S DOG STORIES, by James Herriot	3
4	FOR The Men and the Machine, by Robert Lacey	4
5	THE TRIUMPH OF POLITICS, by David A. Stockman	5
6	ROCK HUDSON: His Story, by Rock Hudson and Sam Davidson	6
7	"AND SO IT GOES," by Linda Eberhardt	7
8	NECESSARY LOSSES, by Judith Viorst	8
9	YEAGER: An Autobiography, by Chuck Yeager and Leo Janos	9
10	WHEN ALL YOU'VE EVER WANTED IS NOT ENOUGH, by Harold S. Kushner	10
11	ENTER TALKING, by Joan Rivers with Richard Meryman	11
12	JACOCCA: An Autobiography, by Lee Iacocca with William Novak	12
13	BUS 9 TO PARADISE, by Leo Buscaglia	13
14	IN SEARCH OF THE TROJAN WAR, by Michael Wood	14
15	THE MAN WHO MISTOOK HIS WIFE FOR A HAT, by Oliver Sacks	15

ADVICE, HOW-TO AND MISCELLANEOUS

This Week		Last Week
1	FIT FOR LIFE, by Harvey Diamond and Marilyn Diamond	1
2	THE ROTATION DIET, by Martin Katahn	2
3	CALLANETICS, by Callan Pinckney with Sally Sargent	3
4	THE RICE DIET REPORT, by Judy Mazel	4
5	WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY	5

BRIDGE

By Alan Truscott

ON the diagramed deal North-South reached optimistically for a diamond game.

West's opening lead of the spade eight held the trick, rather to his surprise. East was hoping for a club shift, which would have been decisive, but West could not be sure what to do and tried the heart jack.

South won with the heart ace, led to the spade ace, and threw a club on the heart king. He then ruffed a heart, ruffed a spade and led a low diamond from the dummy with a gratifying result. East had to win and make a fatal lead. Whether he chose to lead a club or give a ruff and sluff, South could avoid a club loser and made his game.

Both defenders had something to regret. East could have dodged the potential end-play, if he had won with the first trick, overtaking his partner's spade eight, cashed the trump ace and exited with a spade.

NORTH
♠ A 3
♥ K 8 6
♦ K 9 5 3
♣ A 7 6 4

WEST
♠ 8 7
♥ J 10 9 7 4
♦ Q 5
♣ 10 9 5 3

EAST
♠ K Q J 10
♥ Q 5 3 2
♦ 7 6
♣ K J

SOUTH
♠ 6 4 2
♥ A
♦ A J 10 8 7 4
♣ Q 8 2

Neither side was vulnerable. The bidding:

North	South	West	East
1 ♣	Pass	1 ♥	Pass
1 ♦	1 ♥	Pass	1 ♠
Dbl.	Pass	Pass	3 ♥
Pass	Pass	Pass	

West led the spade eight.

World Stock Markets

Via Agence France-Presse July 8

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
AGH	32	32
ACF Holding	107	107
Amrobank	103.60	102.50
Akzo	144.50	143.50
Ahold	89	90.30
Amev	71.50	71
ATEC Rubber	77	77.50
Amsterdam Bank	102.20	101.80
Bührmann Tetterode	77	77.50
Boskalis Holdg	32	31.50
Elsevier-NDU	37.70	37.50
Fokker	82.20	84.10
Gist Brocades	74.50	75
Hagemeyer	110.50	110.50
Heineken	31.50	31.50
Hoogovens	38.50	38.50
Int'l Nederl	84.40	84.40
Int'l Verzekering	101.50	101.50
KLM	37.50	37.50
Kon Olie	107	107
Nat'l Nederl	84.40	84.40
Nedlloyd	101.50	101.50
Oce	84.50	84.50
Pakhoed	37	37
Philips	26.20	26.40
Robeco	73.10	73.20
Rodamco	74	73.50
Rolinco	91	91.30
Royal Dutch	170.60	170.70
Saurer	37.50	37.50
Unilever	403.20	407.40
Van Ommeren	35.50	35.80
VMF Stork	32.50	32.50
VNU	322.60	322

AMX/CBS Nat'l Index : 397.30
Previous : 395.30

Brussels

	Close	Prev.
Arbed	3840	3820
Bekaert	17700	17700
Cockerill	130	133
Colleno	4315	4400
CBL	4080	4020
GB-Inno-BM	7400	7320
GIB	2500	2500
Glaverbel	3900	3900
Hoboken	14400	14700
Interbrew	3420	3700
Kredietbank	14400	14400
Petrofina	8620	8640
Sep Generale	2555	2555
Solvay	6900	6925
Tractebel	7140	7200
Traction Elec	3500	3700
UCB	6500	6500
Union	3930	3910
Wagons Nationales	1000	1000

Current Stock Index : 379.08
Previous : 374.55

Frankfurt

	Close	Prev.
AEG	265.50	264.50
Allianz Vers	2500	2505
BASF	245.50	245.50
Bayer	247.10	245.50
Bay. Vereinsbank	378.50	377
Bay. Hypo. bank	341	341
BHF-Bank	321	321
BMW	446	450.50
Commerzbank	267.50	267
Conti Gummi	243.50	242
Daimler Benz	1000	1000
Dresdner Bank	353	353
Feldmühle Nobischt	190	190
Hoechster Bank	256	256
Karstadt	390	390
Horpener	156	154
Hoechst	245	247
Kali & Salz	185	185
Kaufhof	315	315
Kloeckner H-D	145	145
Linde Gebr Sarstedt	450	450
Kruse Stahl	140	140
Lufthansa	135	135
MAN	251	251
Mannesmann	187	187.50
Mannesmann Reifen	270	270
Mercedes	1000	1000
Metallgesellschaft	1000	1000
Nixdorf	1000	1000
Porsche	1000	1000
Preussag	1000	1000
PWA	1000	1000
RWE	1000	1000
Schering	1000	1000
Siemens	1000	1000
Thyssen	1000	1000
Veba	1000	1000
Vereinsbankwerk	1000	1000
Volkswagen	1000	1000

Commerzbank Index : 1692.80
Previous : 1694.20

Hong Kong

	Close	Prev.
Bk East Asia	17.80	18
Cathay Pacific	5.35	5.35
Chinese Kong	30.50	30.75
Dairy Farm Int'l	13.50	13.75
Green Island	7.40	7.45
Hongkong Bank	34	34.25
Hongkong Land	5.30	5.35
Hongkong Wharf	13.25	13.50
Hong Kong Dock	6.50	6.50
Hutchison	6.80	6.85
Hongkong Electric	6.15	6.20
Hongkong Rlty	5.75	5.80
Hongkong Ferry	9.45	9.50
Hongkong Telecom	14.50	14.50
Hongkong Aircraft	9.75	9.75
Int. Airport	3.15	3.15
Jardine Mat	13.50	13.50
Jardine Sec.	12.50	12.50
Kowloon Motor	7.50	7.50
Mandarin Hotel	3.625	3.675
Miramar Hotel	14.50	14.50
New World	9.75	9.75
SHK Props	12.50	12.40
Shelux	1.70	1.70
Swire Pacific A	13.75	13.75
Tel Chinese	1.70	1.70
Wing On Co	1.25	1.30
Winsor Ind	2.75	2.75
World Int'l	2.25	2.25

Hang Seng Index : 1793.54
Previous : 1791.32

Johannesburg

	Close	Prev.
AECI	1150	1150
Anglo American	27.50	28.00
Anglo Am Gold	170.00	170.00
Barlows	18.50	18.50
Blyvoor	7.75	7.75
Bottles	7.00	7.00
De Beers	13.00	13.00
Driefontein	30.50	30.50
Durban Deep	7.00	7.00
Gencor	19.50	19.50
GFSA	47.75	47.75
Hartebeestfontein	7.00	7.00
Hartebeest	46.50	46.50
Hartebeest Plat	7.00	7.00
Hartebeest Ext	7.00	7.00
Kloof	20.00	20.00
Leslie	3.00	3.00
Loraine	7.00	7.00
Marievale	7.00	7.00
Nigel	7.00	7.00
Pamprin	7.00	7.00
Rand Mines	23.50	23.50
Rustenburg Plat	7.00	7.00
Sasol	23.50	23.50
Stilfontein	7.00	7.00
Vaal Reefs	7.00	7.00
Vlakfontein	7.00	7.00
Wesselton	7.00	7.00
Western Deep	7.00	7.00
Winkelhaak	7.00	7.00

Financial Index : 1192
Previous : 1200

Paris

	Close	Prev.
Air Liquide	737	745
Alsthom Atl.	241	245
Bail Equipement	1040	1040
BSN	1145	1145
Bouygues	1000	1000
Brenntag	1000	1000
Cdf Chimie	1000	1000
CGE	1000	1000
Chargeurs	1000	1000
Chirac	1000	1000
Clubmed	1000	1000
Cofiroute	1000	1000
Comptoir Nat.	1000	1000
Cr. Foncier	1000	1000
Cr. Lyonnais	1000	1000
Dalgety	1000	1000
Dassault	1000	1000
Dbs Generale	1000	1000
Drouot Ent.	1000	1000
Eaux (Cie Gen)	1000	1000
Elf Aquitaine	1000	1000
Essilor	1000	1000
Fr. Petroles	1000	1000
Gaz et Eaux	1000	1000
Gen. Occidentale	1000	1000
Gerlin	1000	1000
Imetal	1000	1000
Lafarge Coppee	1000	1000
Lagardere	1000	1000
Legrand	1000	1000
Lofac	1000	1000
Lyonnaise	1000	1000
Matra	1000	1000
Moulinex	1000	1000
Oxo	1000	1000
Pechiney	1000	1000
Peugeot	1000	1000
Pechiney	1000	1000
Poliet	1000	1000
Rhone Poulenc	1000	1000
Roussel Uclaf	1000	1000
Sagem	1000	1000
Saint Louis	1000	1000
Sanofi	1000	1000
Schneider	1000	1000
Sommer Allibert	1000	1000
Sosnd	1000	1000
Strafor Facom	1000	1000
Suez	1000	1000
Telemecanique	1000	1000
Tf1	1000	1000
Thomson CSF	1000	1000
Total	1000	1000

CAC Index : 246.19
Previous : 372.69

Singapore

	Close	Prev.
Cerebos	3.12	3.14
City Dev	4.2	4.2
DBS	7	6.95
Fraser Neave	2.35	2.35
How Par	1.45	1.48
Hume	1.8	1.8
Inchcape	3.81	3.81
Jardine Math	15.25	15.25
Keppel Corp	3.25	3.25
Keppel Shipyard	1.48	1.50
Kim Eng	2.88	2.88
Kolonial	2.20	2.20
Lim Chee	1.25	1.25
Lim Kah Ee	1.25	1.25
Overseas Union	1.25	1.25
Overseas Chinese	1.25	1.25
Pan Electric Ind.	1.570	1.590
Pan Electric Ind.	1.570	1.590
Singapore Airlines	5.75	5.75
Singapore Land	3.25	3.25
Singapore Press	5.75	5.75
Singapore Tech	1.25	1.25
Sime Darby	1.55	1.57
Singapore Bank	1.25	1.25
Tiong Bahru Ind.	1.25	1.25
Tiong Bahru Ind.	1.25	1.25
United Overseas	1.4	1.45
Straits Times Ind Index : 733.44
Previous : 735.38

Stockholm

	Close	Prev.
AGA	207	207
Alfa Laval	202	202
Asea	242	242
Astra	300	300
Atlas Copco	300	300
Beijer	300	300
Cellulosa	300	300
Electrolux	300	300
Ericsson	300	300
Esselte	N.Q.	300
Gambro	300	300
Hondelsbanken	300	300
Industrivarden	300	300
Incentive	300	300
Investor	300	300
Marabou	300	300
Nordbanken	300	300
Pharmacia	300	300
Procordia	300	300
Sandvik	300	300
Skandinaviska Enskilda	300	300
Skf	300	300
Skanska	300	300
Stora	300	300
Sv. Cellulosa	300	300
Sv. Handelsbanken	300	300
Tarkett	300	300
Volvo	300	300

Affärsvarlden Index : 698.69
Previous : 697.39

Sydney

	Close	Prev.
AGL	3.38	3.48
BHP	6.08	6.12
BTR	4.68	4.62
Bond	2.08	2.08
Boralgo/Ills	2.38	2.35
CRA	4.15	4.12
CSR	2.35	2.32
Coles	3.05	3.05
Dunlop	2.48	2.46
Elders Ind	2.42	2.40
CI Australia	2.48	2.48
Fosters	1.15	1.15
MIM	1.38	1.38
Nat'l Bank	9.17	9.12
News Corp	11.50	11.50
Pioneer Int	3.48	3.48
Qantas	2.45	2.45
Qld Coal Trust	1.60	1.60
Santos	3.45	3.45
Tooth & Co	1.95	1.95
Western Mining	3.30	3.30
Westpac Bkg Corp	3.65	3.65
Woodside	3.65	3.65

All Ordinaries Index : 1135.30
Previous : 1136.20

Tokyo

	Close	Prev.
Asahi Chemical	450	461
Asahi Glass	1000	1000
Bank of Tokyo	1000	1000
Bridgestone	1000	1000
Canon	1000	1000
Casio	1000	1000
Chiyoda	1000	1000
Dai Nippon Print	1000	1000
Daiwa House	1000	1000
Dai Ichi Kangyo	1000	1000
Daiwa Securities	1000	1000
Eisai	1000	1000
Fanuc	1000	1000
Fuji Bank	1000	1000
Fujitsu	1000	1000
Fujisawa Pharm	1000	1000
Fukuyo Gas	1000	1000
Hitachi	1000	1000
Hitachi Cable	1000	1000
Honda	1000	1000
Japan Air Lines	1000	1000
Kajima	1000	1000
Kanebo	1000	1000
Kansai Power	1000	1000
Kirin Brewery	1000	1000
Komatsu	1000	1000
Kubota	1000	1000
Kumagai	1000	1000
Matsushita Elec Ind.	1000	1000
Mitsubishi Bank	1000	1000
Mitsubishi Chem.	1000	1000
Mitsubishi Elec.	1000	1000
Mitsubishi Heavy	1000	1000
Mitsubishi Corp.	1000	1000
Mitsubishi Oil	1000	1000
Morinaga	1000	1000
Nippon Oil	1000	1000
NGK Insulators	1000	1000
Nippon Kogaku	1000	1000
Nippon Meat	1000	1000
Nippon Mining	1000	1000
Nippon Steel	1000	1000
Nippon Suisan	1000	1000
Nissan	1000	1000
Nissan Diesel	1000	1000
Nomura Sec	1000	1000
Olympus	1000	1000
Pioneer	1000	1000
Sankyo	1000	1000
Sanyo	1000	1000
Sekisui Chemical	1000	1000
Sekisui House	1000	1000
Sumitomo Bank	1000	1000
Sumitomo

SPORTS

Lineker: Understated, Elusive and a Real Goal-Getter

International Herald Tribune

LONDON — The summer of '86 catapulted one modest English-man through the dreams of mil-lions of schoolboys . . . and away to a cosy little niche in the shad-ow of fame.

Gary Winston Lineker was the goal-scorer at the World Cup, and even of Diego Maradona. He earned home to sign a contract with $1.75 million over six years with Barcelona FC.

Between the scoring and the signing Lineker expected to be left alone for the quiet wedding he planned in his hometown in the British midlands. Foolish hope!

With a bright pink necktie that hit at be the flamboyant touch of lifetime, he got to the church on time. So did Michelle Cockayne, girlfriend of six years, and so 500 uninvited star-gazers who the bride in tears because the official cameraman couldn't get enough the crush for the traditional photographs.

Life on millionaire's row has its whacks. By the time the Lineker reach Catalonia, with its unrefined soccer fanaticism, the crashers may seem a small shot of market forces into which his goals are propelling the young couple.

Lineker should understand market forces. He was born and reared in the marketplace; his parents' fruit and vegetable stall in Leicester provided an alternative to sporting pressures.

To work alongside dad, to play for the local team and maybe at the end of the rainbow to wear the three lions of England's national team, were the stuff of boyhood fantasy.

He had to choose among cricket, sprinting and soccer. It was a boost for the family business, and the height of his aspirations, when he played his way into the blue of the English First Division's Leicester City.

The inheritance of the center-forward shirt of Frank Worthington was built on pace, perseverance, correctness. Lineker hadn't Worthington's hypnotic flair (few Englishmen ever have), but his quality was noted by the Leicester goalkeeper of the day, Mark Wallington: "Gary has the heart of a lion and will run forever."

Eight seasons with Leicester, and 95 league goals in 194 games, proved he also has the knack for scoring — a veritable lifeline for a struggling club.

Some of us (and Lineker remembers it well) concluded that although he ran straight at goal with pace and a cool nerve, he so lacked the instant first touch on the ball that he would be found out at higher levels.

ROB HUGHES

He still lacks that touch. But perhaps knowing it has been the secret of his success, for a scorer doesn't need to hold or cradle the ball. How he puts the ball in the net doesn't matter; that he puts it there, period, is a prime commodity in the modern marketplace of statistics.

Exactly a year ago, Everton, one of the bigger English clubs that had had six years to study the Lineker technique from teenage to mid-twenties, shook even the British prime minister by gambling $1.2 million on him at a time when soccer was pleading for government handouts.

Lineker feared the wrench from rural Leicestershire to Liverpool. "I expected to be homesick," he admits. "I wondered how I might cope because Everton are 25 per cent bigger in every sense than Leicester. But it went very well."

Another Lineker understatement. He "coped" with the new environment; new teammates, a newly doubled salary and the rarified atmosphere of crowds of 40,000. Among better players, he could no longer be marked as if he were the only threat; his elusive running became even more profitable. He scored 40 goals in a single season for Everton and, even before his World Cup, a deal was set up with Barcelona.

The price would depend on performance in Mexico. But first Lineker tasted despair: He fell during a warm-up game in Canada, thought he had broken a wrist and ended up playing with the badly sprained joint in a light cast. But (with the exception of Maradona) the wrist is not an essential part of a goal-scorer's anatomy.

Lineker scored six times in three games and blossomed to a peak of immodesty that will have astounded all in Leicester by anticipating it would be "nice" to finish as the tournament's top scorer.

Nice, and expensive. When Barcelona came to conclude the deal, the total fee to Everton had reached $4.6 million, making Lineker third on the all-time transfer-fee list behind Maradona, whom Barcelona sold to Naples for $7 million, and Enzo Francescoli, who moves to Racing Club de Paris for $6 million this summer.

Anyone who assumes Lineker will serve six years at Nou Camp has no insight into the crippling force of Spanish kickers, who have broken the limbs of Maradona and Johan Cruyff as if they were porcelain.

The term is insurance. The demands on Lineker — who forms a $7 million double spearhead with Manchester United's more spectacular if less prolific Mark Hughes — are instantaneous. The English coach, Terry Venables, is gambling Barcelona's pesetas on rebuilding Spanish internationals around British scorers. All their heads will quickly roll, albeit on lucrative cushions, if it misfires.

But at 25, Lineker has suddenly accelerated into life's challenges. Barcelona is adept at finding elegant hideaways for forwards who pass through its revolving door.

Club officials will by now be searching for an apartment with an extra-large room to accommodate the snooker table without which Lineker will not settle down. He is a dead-eyed expert at that game too, and sooner or later Catalans will observe another world-ranked player visiting the Lineker house. His best friend is snooker professional Willie Thorne, another Leicester folk hero whose humor, mild manner and utter dedication to one sport parallel his own.

"The atmosphere at a major tournament when Willie's performing," insists Lineker, "is miles more intense than anything you get at soccer. It's murder on my nerves just watching."

As a practice partner, he knows that Thorne's great style and easy, flowing skills are betrayed at the crowning hour by a tendency to lose either nerve or concentration.

Lineker is precisely the opposite. Few see his approach, much less remember it, but the finish is as deadly as a viper's.

His burgeoning fame and wealth have everything to do with what he does and not what he says, but silence is not the same as ignorance. "As far as my game is concerned," he concludes, "I think getting there is the important thing."

Gary Lineker, center, beating Jozef Mlynarczyk for one of his three cup goals against Poland.

The Associated Press

Joyner 'Just Goes Out and Does It'

By Randy Harvey
Los Angeles Times Service

MOSCOW — More than 50 years ago, Babe Didrickson set the world record in track and field's version of the triathlon, the one in which she did not have to get wet. She had only to put together a 100-yard dash, a high jump and a javelin throw.

But until Monday, no American woman since Didrickson had held a world record in a multiple-event track and field competition. From 1927 until 1981, when women competed in the five events of the pentathlon, only Europeans held the world record. Since 1981, when the pentathlon became the heptathlon, after two events were added, the world record has been held by East Germans.

One of those East Germans, Sabine Paetz, had the best view in Lenin Central Stadium Monday as the Goodwill Games athletic Joyner, the former UCLA track and field and basketball star, took the record, becoming the first woman to surpass 7,000 points. By the time she finished, she had reached 7,148.

Needing only to run 2:24.56 in the final event, the 800 meters, to break Paetz's record of 6,946, Joyner finished in style, running a personal best of 2:10.02. Paetz, finishing behind Joyner, was the first to congratulate her, followed shortly thereafter by Joyner's husband and coach, Bob Kersee.

As a crowd of about 25,000 gave Joyner a standing ovation, the public address announcer, speaking first in Russian and then in English, could not contain his enthusiasm.

"It's marvelous," he said. "It's magnificent."

It was a significant moment not only for Joyner but also for the organizers, who are seeking legitimacy for the Goodwill Games as an important international athletic event. They feel world records can give them that. This was the second since competition began five days ago. Soviet swimmer Vladimir Salnikov broke his own world record in the 800-meter freestyle last Friday.

Joyner began the day by setting a world record for the heptathlon long jump at 23-0. That extended the lead she had Sunday after the first four events — the 110-meter hurdles (12.85), the high jump (6-2) the shot put (48-5¼) and the 200 meters (23.0). By the time she completed the long jump, javelin throw (163-7) and 800 meters Monday night, she had personal bests in five of the seven events.

Eric Bibergy/The Associated Press

Jackie Joyner, pulling away to win the heptathlon's 800.

Joyner, 24, achieved the record against perhaps the best heptathlon field ever put together, certainly more top-heavy than that of the Los Angeles Olympics, in which she finished second. Of the six highest-ranked heptathletes from 1985, five competed here.

"I've always competed in individual events along with the heptathlon in the past," Joyner said. "But this year, I've just concentrated on the heptathlon. I dedicated myself to it."

She added that she had not allowed herself to think about the possibility of breaking the record until after Monday's first event, the long jump.

"I tried not to put any pressure on myself," she said. "After yesterday, I didn't even want to think about what I had to do today.

"I feel I'm a great long jumper. But if I think about it too much the night before I have to do it, it makes me nervous because it's such an important event for me. So I try not to think about it. I just go out there and do it."

■ **Bubka Breaks Vault Mark**

Sergei Bubka of the Soviet Union broke his world record in the pole vault Tuesday tonight, clearing 19 feet, 8¾ inches (6.01 meters) at the Goodwill Games, The Associated Press reported from Moscow.

Bubka's jump came on his first attempt at the height and surpassed his mark of 19-8¼ set July 13, 1985, in Paris.

Clemens Drops 2d in Row As A's Beat Red Sox, 6-4

Compiled by Our Staff From Dispatches

BOSTON — Pitcher Roger Clemens is on another streak, but it's not quite the same as his first one.

The sensational right-hander, who blazed to a 14-0 start, suffered his second consecutive defeat Monday night as the Oakland A's beat the Red Sox, 6-4.

Clemens was knocked out when José Canseco and Dave Kingman hit consecutive sixth-inning home runs; adding insult to injury, he was outpitched by a castoff, Dave Stewart.

"I just didn't have any intensity," Clemens said. "I was kind of sluggish. I don't know what it was. I felt good, I threw the ball real good, I had good velocity and everything. My intensity, though, just wasn't where I needed it to beat these guys."

Clemens allowed seven hits and six runs, five earned, before departing with none out in the sixth as the A's gave their new manager, Tony LaRussa, a successful debut by winning for only the third time in their last 22 road games.

Leading by 3-1, Oakland broke the game open in the sixth when Carney Lansford beat out a single to deep short and Canseco followed with his 20th homer of the year. Two pitches later, Kingman hit a towering drive over the screen in left-center, and Clemens was finished after 93 pitches.

Stewart, released by Philadelphia two months ago, allowed eight hits, including a two-run home run by Dwight Evans, before needing help from Dave Von Ohlen and Doug Bair in the seventh. Bair posted his second save of the year by holding Boston hitless over the final 2⅓ innings. It was Stewart's first victory since Sept. 28, 1984, when he was with Texas.

Yankees 14, Rangers 3: In Arlington, Texas, Dave Winfield entered the game as a pinch hitter in the third and went on to collect the 2,000th hit of his career and drive in four runs to help New York rout Texas and Charlie Hough. Scott Nielsen worked seven innings, allowing nine hits, walking one and striking out five, to win his major-league debut.

Angels 3, Brewers 1: In Milwaukee, rookie Wally Joyner tripled with one out and the bases loaded in the 16th to lift California into first place in the American League West.

Orioles 8, Royals 1: In Kansas City, Missouri, home runs by Cal Ripken, Fred Lynn and Floyd Rayford handed the defending world champions their 10th straight defeat.

White Sox 4, Indians 3: In Chicago, Greg Walker's sacrifice fly to deep center field with the bases loaded in the ninth enabled the White Sox to end Cleveland's seven-game winning streak.

Blue Jays 7, Mariners 5: In Toronto, Jimmy Key scattered eight hits over his seven innings, striking out a personal-high 10 batters and picking a two baserunner, to lead the Blue Jays. Lloyd Moseby drove in Toronto's final runs with a single and homer. Key and two relievers fanned 14 Seattle batters, the 17th time the Mariners have been in double figures this year. Key has won his last five decisions.

Twins 10, Tigers 8: In Minneapolis, Jeff Reed drove in three runs with a double and a bases-loaded walk. Kirby Puckett had a single, double and triple to lead Minnesota. Detroit has lost seven of its last nine games.

Astros 12, Expos 1: In the National League, in Montreal, Glenn Davis hit two home runs and drove in five runs and Kevin Bass belted a grand-slam homer to power Houston's rout. Davis leads the league in homers with 19 for the season.

Dodgers 1, Cardinals 0: In Los Angeles, Alejandro Pena won his first game since Aug. 12, 1984 as the Dodgers edged St. Louis. Working five innings, Pena allowed only two hits before three relievers combined to retire the last 12 Cardinals. In 1984, Pena was 12-6 with a league-leading earned-run average of 2.48. He underwent shoulder surgery in February, 1985; Monday's was his second start since coming off the disabled list.

Reds 7, Mets 6: In New York, Dave Parker ignited a three-run seventh with a two-run home run and reliever John Franco held the Mets scoreless for 2⅓ innings.

Phillies 7, Braves 3: In Philadelphia, benefiting from a four-homer attack, Shane Rawley won his seventh straight decision and joined New York's Sid Fernandez as the league's only 11-game winners.

Pirates 3, Padres 1: In San Diego, Sid Bream broke a scoreless tie with a three-run homer off Rich Gossage in the 10th, powering Pittsburgh over the Padres. Gossage allowed Bream's 11th home run of the year after escaping a none-out, first-and-third situation in the ninth. *(AP, UPI)*

BASEBALL ROUNDUP

NFL Plans Stepped-Up Drug Testing

By Ed Schuyler Jr.
The Associated Press

NEW YORK — A drug program that includes mandatory random testing for all National Football League players during the season will begin with 1986 training camp physicals this month, Commissioner Pete Rozelle said Monday.

The National Football League Players Association in Washington said it will not accept the program because it represents an unauthorized change in the current collective bargaining agreement.

"I feel the collective bargaining agreement and the by-laws give me the obligation and the authority to protect the health and welfare of the players and to preserve the public confidence in the NFL," Rozelle said.

"I would have much preferred that management and the players reach agreement on it then to act independently," Rozelle said at a news conference where he unveiled a seven-point drug program of testing, education, treatment and discipline, which would cost an estimated $1 million annually.

Rozelle said he notified the 26 club owners Monday.

In a statement released in Washington, Gene Upshaw, president of the NFLPA, said the union "simply cannot agree that Rozelle has the authority to unilaterally change the terms of our agreement. The agreement reached in 1982 is final and binding on all parties, and its terms cannot be changed in mid-term except on consent."

Brian Holloway, vice president of the NFLPA, said the work that care would have to be taken to protect players' rights. He warned against overreaction to the recent cocaine-induced deaths of Cleveland Browns safety Don Rogers and University of Maryland basketball player Len Bias.

"From a medical perspective I don't know how there can be a challenge," said Dr. Forest Tennant, Jr., a recognized expert in the field of chemical-dependency treatment, who was named by Rozelle as NFL drug adviser and placed in charge of the program. Tennant is an associate professor in the School of Public Health at UCLA.

NFL players "fit the target group" for drugs in age, money and time (an off-season of about six months), Rozelle said. "You have to find out if there is a problem before you can stop a major problem from developing. You need testing."

The program will require more frequent testing, including two unscheduled tests during the regular season for every player in the league. Under the program, drugs to be tested for will include cocaine, marijuana, opiates (e.g., heroin), PCP, amphetamines, and alcohol.

Amphetamines will be tested for, but initially handled through education and counseling, Rozelle said.

The commissioner said alcohol will not be prohibited, but high levels of it and other indications of alcohol problems will lead to treatment and possible discipline.

Other points of the program:

- All users of prohibited substances will be placed under medical care as soon as identified through confirmed positive testing.
- A set of procedures will be established that in some cases will provide remedies while preserving the confidentiality of the test results. In other cases, players who test positive will be removed immediately from their teams' active rosters, and in extreme cases they could be banned permanently from the league. A suspended or banned player would have an opportunity to appeal and a hearing before Rozelle. A banned player could apply for reinstatement after one year.
- The league office and member clubs will be removed as much as possible from the administration of the testing and treatment aspects of the program.
- SmithKline Bio-Science Laboratories, which performs drug tests for many corporations and the federal government, will collect and analyze all specimens.

As for confidentiality, Rozelle said, "If you have a problem that requires hospitalization, there is no way you can have 100 percent confidentiality and get treatment. In the unique world of professional sports you give up some privacy."

Reuter

CASUALTY — Dutch national champion Jos Lammertink remained hospitalized Tuesday after sustaining a fractured skull in a spill with 10 kilometers remaining in Monday's fourth leg of the Tour de France bicycle race.

SCOREBOARD

Goodwill Games

(In Moscow)

BASKETBALL

Women

Brazil 79, Yugoslavia 45
United States 76, Czechoslovakia 70
Soviet Union 83, Bulgaria 56

TRACK AND FIELD

MEN

Pentathlon: Individual standings. Sergei Gonsadorov, USSR, 1,064 points. Individual leader (four events), Gherman Vatorev, USSR, 4,362 points. Team leader (four events), Soviet Union, 12,697 points.

Decathlon: 110 hurdles, Tim Bright, U.S., 14.48 seconds. 1?4 points. Javelin, Alexander Apolchev, USSR, 229-2, 846 points. 1,500, Sven Reinluk, USSR, 4:26.54, 767 points. Winner, Valery Ishmurov, USSR, 8,322 points.

200: Floyd Heard, U.S., 20.72.

400: Antonio McKay, U.S., 44.88.

1,500: Steve Scott, U.S., 3:40.47.

20-kilometer walk: Alexander Pershin, USSR, 1:23:29.

LONG: Pavel Yakovlev, USSR, 2:39.34.

WOMEN

Pentathlon: Individual standings. Natalya Andreyeva, USSR, 1,088 points. Individual leader (four events), Tatyana Chernishova, USSR, 4,196 points. Team leader (four events), Poland, 11,828 points.

400-meter: Marina Shenorova, USSR, 53.51. High jump: Stefka Kostadinova, Bulgaria, 6-8.

Shot put: Natalia Lisovskaya, USSR, 70-1½. Long jump: Galina Chistyakova, USSR, 23-1½.

200: Pam Marshall, U.S., 22.72.

100 hurdles: Ionkanka Donkova, Bulgaria, 13.46.

Javelin: Petra Felke, East Germany, 232-2. 1,500: Olga Bondarenko, USSR, 1?:58.51.

SWIMMING

MEN

400 freestyle: Sean Killion, U.S., 3:51.91.

400 medley relay: Soviet Union, A (Igor Polyansky, Dmitri Volkov, Sergei Gorny, Nikolai Yevseyev), 3:42.83.

Women

200 butterfly: Kelly Davies, U.S., 2 minutes, 13.49 seconds.

400 freestyle: Kathy Hatkins, U.S., 4:11.53.

400 medley relay: United States A (Laura McLaren, Kathy Smith, Kelly Davies, Angel Myers), 4:12.54.

VOLLEYBALL

Women

North Korea 3, United States 1
Soviet Union 3, Czechoslovakia 0

(Tiebreaker)

East Germany 3, West Germany 2
Czechoslovakia 3, North Korea 0
Japan 3, United States 1

Cycling

Tour de France

FIFTH STAGE

(Evreux to Villers-sur-Mer)
(194.5 Kilometers/77-miles)

1. Johan Van der Velde, Netherlands, 2:04:102
2. Jean Pailler, France, 2 seconds behind
3. Eddy Planckaert, Belgium, 39
4. Miguel Indurain, Spain, 40
5. Alberto Gallopiani, Italy, 1:15
6. Eric Vanderaerden, Belgium, 1:15
7. Lucien Lisckens, Belgium, 1:18
8. Matthieu Hermans, Netherlands, 1:18
9. Eric McKenzie, New Zealand, 1:18
10. Guido Bontempi, Italy, 1:18

OVERALL STANDINGS

1. Johan Van der Velde, Netherlands, 19:01:50
2. Dominique Gaigne, France, 36 seconds behind
3. Thierry Marie, France, 42
4. Charles Mottet, France, 46
5. Laurent Fignon, France, 49
6. Joel Pelier, France, 56
7. Yvon Madiot, France, 1:02
8. Eric Heiner, France, 1:05
9. Eric Maechler, Switzerland, 1:28
10. Eric Vanderaerden, Belgium, 1:29

Transition

BASEBALL

American League

KANSAS CITY—Placed Rudy Law, outfielder, on the 15-day disabled list. Sent John Brewer, outfielder, to Omaha of the American Association. Recalled Darryl Motley and Mike Kingery, outfielders, from Omaha.

OAKLAND—Activated Dwayne Murphy, outfielder, from the disabled list. Placed Rickey Peters, outfielder, on the 21-day disabled list.

TORONTO—Recalled Stan Clarke, pitcher, from Syracuse of the International League.

National League

MONTREAL—Placed Joe Hesketh, pitcher, on the 15-day disabled list. Recalled Randy St. Claire, pitcher, from Indianapolis of the American Association.

SAN DIEGO—Optioned Randy Ready, infielder, to Las Vegas of the Pacific Coast League.

SAN FRANCISCO—Optioned Will Clark, first baseman, to Phoenix of the Pacific Coast League.

FOOTBALL

National Football League

DENVER—Named Kay Dalton special assistive assistant.

LEAGUE—Named Dr. Forest Tennant drug adviser.

N.Y. JETS—Announced the retirement of Dr. Cal Nicholas, team physician; named Dr. Lester Pizza to replace him.

Basketball

World Championships

(In Spain)

GROUP A (Barcelona)
Spain 87, Greece 56
Brazil 85, Panama 65

GROUP B (El Ferrol)
Soviet Union 114, Israel 77
Uruguay 77, Australia 74

GROUP C (Bilbao)
United States 81, West Germany 48
Italy 76, Puerto Rico 63

GROUP D (Tenerife)
Canada 94, Argentina 82
Yugoslavia 95, the Netherlands 74

Baseball

Monday's Line Scores

AMERICAN LEAGUE

New York	115 013 000—14 14 2	
Texas	101 010 000— 3 10 1	
Nielsen, Helland (8), Righetti (9) and Hassey; Hough, Mahler (3), Russell (4), Meharchik (7), Harris (9) and Stanek, Mercado (7). W—Nielsen, 1-0. L—Hough, 6-4. HRs—New York, Mattingly (14), Washington (3). Texas, Rudi Dawsell (12), Incaviglia (16).		
Cleveland	000 100 000— 1 7 3	
Chicago	101 010 001—4 13 0	
Butcher, Camacho (3), Bailes (9) and Allen; Bonds (8), Davis, Jones (8) and Fisk. W—Jones, 4-4. L—Camacho, 1-3. HR—Chicago, Baines (11).		
Seattle	000 100 120—4 9 1	
Toronto	102 012 01x—7 12 0	
Morgan, Reed (4) and Kearney, Bradley (9); Key, Henke (8), Caudill (8) and Whitt. W—Key, 8-5. L—Morgan, 4-6. Sv—Caudill (1). HR—Toronto, Moseby (13).		
Oakland	021 000 000—4 12 0	
Boston	001 003 000—4 9 2	
Stewart, Von Ohlen (7), Bair (7) and Winfield; Clemens, Leiter (4), Brown (7), Sambito (9), Crawford (9) and Gedman. W—Stewart, 1-0. L—Clemens, 14-2. Sv—Bair (2). HRs—Oakland, Canseco (26), Kingman (16). Boston, Evans (11).		
Baltimore	001 211 110—8 14 1	
Kansas City	000 010 000—1 8 0	
Boddicker and Dempsey; Leibrandt, Ferrer (6), Gubicza (6), Gulasewicz (9) and Sandberg. W—Boddicker, 11-4. L—Leibrandt, 8-4. HRs—Baltimore, Rayford (2), Ripken (12), Lynn (14). Kansas City, Balboni (17).		
Detroit	111 010 400—8 12 1	
Minnesota	102 220 02x—10 12 1	
O'Neal, Pacella (4), Cornelius (5), LaPoint (6) and Lacey; Smithson, Atherton (7) and Rasmussen, Leskanic (9). W—Smithson, 6-7. L—O'Neal, 1-4. Sv—Atherton (4). HRs—Detroit, Whitaker 2 (11). Minnesota, Hrbek (20).		
California	000 000 000 000 000 3—3 4 1	
Milwaukee	000 000 000 000 000 1—1 11 1	
Witt, Moore (10), Forster (12), Corbett (14) and Boone. Nunez (14); Wegman, Searage (15), Clear (14), Plesac (15) and Cocoa. W—Forster, 4-1. L—Plesac, 5-4.		

NATIONAL LEAGUE

Atlanta	000 210 000—3 11 0	
Philadelphia	230 210 00x—7 8 1	
Palmer, Dayley (4), Acker (7) and Virgil; Benedict (7); Rawley, Bedrosian (9) and Russell. Reynolds (9). W—Rawley, 11-4. L—Palmer, 3-7. Sv—Bedrosian (19). HRs—Philadelphia, Redus 2 (3), Samuel (7), Russell (7).		
Houston	013 031 002—12 16 0	
Montreal	010 000 000—1 4 1	
Scott, Lacoss (8) and Mizerock, Pankovits; Hershiser, McClure (4), Schatzeder (8) and Bilardello. W—Scott, 7-3. L—Hershiser, 5-7. HRs—Houston, Davis 2 (19), Bass (13).		
Cincinnati	100 201 300—7 14 1	
New York	000 121 300—6 14 2	
Quisenberry, Robinson (6), Franco (7) and Diaz; Aguilera, Niemann (6), Berenyi (7), Sisk (9) and Carter. W—Robinson, 7-6. L—Niemann, 1-3. Sv—Franco (13). HRs—Cincinnati, Parker (16). New York, Strawberry (13), Aguilera (3), Johnson (3).		
St. Louis	000 000 000—0 3 1	
Los Angeles	100 000 00x—1 9 2	
Forsch, Burris (8) and LaVelliere; Pena, Diaz (6), Niedenfuer (7), Howell (9) and Trevino, Pirrello (9). W—Pena, 5-1. L—Forsch, 5-4. Sv—Howell (4).		
Pittsburgh	000 000 000 3—3 9 1	
San Diego	000 000 000 1—1 4 0	
Rhoden, Guante (9) and Pena; Show, Walter (8), Lefferts (7), Gossage (9) and Kennedy. W—Guante, 3-1. L—Gossage, 4-4. HR—Pittsburgh, Bream (11).		

Golf

PGA Leaders

(Through June 29)

EARNINGS

	Rds	Money
1. Greg Norman	20	$547,779
2. Bob Tway	18	$460,205
3. Andy Bean	20	$435,074
4. Hal Sutton	18	$298,749
5. Payne Stewart	24	$274,194
6. Calvin Peete	21	$212,939
7. John Mahaffey	19	$211,340
8. Dan Pohl	23	$207,643
9. Ray Floyd	20	$203,288
10. Tom Watson	22	$203,214
11. Bernhard Langer	18	$197,891
12. Fuzzy Zoeller	23	$192,882
13. Doug Tewell	22	$183,214
14. Mark O'Meara	19	$171,326
15. John Cook	24	$151,481
16. Paul Azinger	19	$151,484

SCORING

1. Greg Norman, 70.68, 2. Bernhard Langer, 70.12, 3. Scott Hoch, 70.19, 4. Andy Bean, 70.31, 5. Calvin Peete, 70.35, 6. Tom Watson, 70.36, 7. Bob Tway and Paul Azinger, 70.38, 9. Hal Sutton, 70.41, 10. Payne Stewart, 70.53.

AVERAGE DRIVING DISTANCE

1. Davis Love III, 285.6. 2. John McCumber, 280.3. 3. Greg Norman, 278.1. 4. Fred Couples, 277.6. 5. Steve Jones, 276.9. 6. Jeff Sluman, 274.3. 7. Bill Glasson, 273.5. 8. Mac O'Grady, 273.3. 9. Tom Purtzer, 273.0. 10. Stu Ingraham, 272.8.

DRIVING PERCENTAGE IN FAIRWAY

1. Calvin Peete, 220. 2. Mike Reid, 212. 3. Tom Kite, 205. 4. Doug Tewell, 200. 5. Larry Mize, 203. 6. David Frost, 202. 7. Fuzzy Zoeller, 198. 8. David Edwards, 196. 9. Jack Renner and Peter Jacobsen, 197.

GREENS IN REGULATION

1. Calvin Peete, 72.3. 2. John Mahaffey, 72.2. 3. Hale Irwin, 71.8. 4. Andy Bean, 71.5. 5. Jerry Miller, 70.8. 6. Tony Sills, 70.7. Hal Sutton, 69. 8. Tom Watson, 69.9. 9. Mark O'Meara, 69.6. 10. Doug Tewell, 69.4.

PUTTS PER GREEN

1. Greg Norman, 1.734. 2. Bob Tway, 1.747. 3. Jim Colbert, 1.761. 4. Ray Floyd, 1.771. 5. Hal Sutton and Don Pooley, 1.783. 7. Hubert Green, 1.798. 8. Bernhard Langer, 1.799. 9. Lanny Wadkins, 1.801. 10. Larry Mize, 1.803.

PERCENTAGE OF SUB-PAR HOLES

1. Greg Norman, .209. 2. Andy Bean, .208. 3. Hal Sutton, .204. 4. Bob Tway, .203. 5. Payne Stewart, .201. 6. Fuzzy Zoeller, .198. 7. Tom Purtzer and Craig Stadler, .215. 9. Dennis Hammond, .214. 10. Larry Mize, .213.

EAGLES

1. Greg Norman, 12. 2. Andy Bean, Ronan Rafferty, Blaine McCallister and Mark McCumber, 9. 6. 7 tied with 8.

BIRDIES

1. Bob Tway, 204. 2. Greg Norman, 248. 3. Joey Sindelar and Andy Bean, 237. 5. Hal Sutton, 233. 6. Tom Purtzer, 345. 7. Bobby Wadkins, 237. 8. Chip Beck, 235. 9. Payne Stewart, 233. 10. 3 tied with 231.

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	52	37	.542	—
New York	46	37	.554	7
Cleveland	43	36	.544	7
Baltimore	43	38	.531	9
Toronto	44	40	.524	9½
Milwaukee	39	46	.459	15½
Detroit	39	45	.481	13
West Division				
California	44	37	.543	—
Texas	41	38	.527	1½
Chicago	37	43	.463	7½
Kansas City	37	48	.435	7½
Minnesota	34	46	.425	8½
Seattle	35	49	.417	10½
Oakland	32	50	.381	13½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
New York	55	32	.718	—
Montreal	44	35	.557	11½
Philadelphia	39	40	.494	16½
Pittsburgh	33	46	.418	22½
St. Louis	33	47	.413	23
Chicago	32	48	.418	24
West Division				
San Francisco	45	37	.549	—
Houston	44	38	.537	1
San Diego	42	40	.512	3
Atlanta	41	40	.500	3½
Cincinnati	36	43	.456	7½
Los Angeles	37	45	.451	8

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OBSERVER

Here's to Losers, Thieves

By Russell Baker

NEW YORK — Here's to every immigrant and immigrant offspring who didn't measure up:

To those who didn't become presidents, governors, tycoons, fathers of new weapons, judges, or stars of stage, screen, radio, television, video or as-told-to books on the best-seller lists.

To those who thought liberty absurd, and those who despised the idea of equality, and those whose dream was a dream of greed that brought them here to get rich, from slave labor if necessary, and go back to the old country where stay-at-home peasants would have to lick their boots.

Here's to the pickpockets, too, and burglars, thieves and killers, to all those exported in European chains who regarded the New World as a prison. To those who fled from the gallows, seeking a hideout where rascals could safely flourish.

Here's to the traitors, like Tom Paine, who fled England to avoid being hanged for his radical politics. Lucky timing made Paine's radicalism heroic. Other immigrants were not so lucky, so here's to Sacco and here's to Vanzetti, doomed for their anarchism by a hanging judge and a hanging governor and a whole nation in a hanging mood.

Here's to all hanging judges, and to all hanging governors, and to the Supreme Court justices, who have the power to indulge the whole nation in its hanging moods. All are immigrants' heirs.

□

Here's to all the troublemakers: To the union organizers who made life hard for the sweatshop profiteers, *who preferred to be just* plain hard-working businessmen; to the hard-working businessmen, too, and to their bosses who clubbed the skulls of the immigrant and immigrant-offspring working stiffs.

Here's to the bankers, including embezzlers and cheaters of widows and orphans. Salutes to you, ye banking fruit of immigration.

Salutes, too, to widows and orphans, including widows and orphans who are landlords cruel to their tenants, especially in winter when they go to Jamaica to escape hard-luck tales of icicles on the radiator.

Here's to the gangsters created by Prohibition and here's to the bank robbers created by the Depression.

Here's to the pistoleros created by the national craving for drugs and here's to the Ku Kluxers created by ignorance.

Here's to the bigots, to the *nigger-haters, the fag-bashers, the no-wops-kikes-Irish-need-apply* people and to every immigrant and immigrant's child, grandchild and multi-great-grandchild who ever said *the only good* Indian was a dead Indian.

□

You say you wouldn't want your sister to marry one? That's neither here nor there.

The point is that without them *the United States wouldn't be the same country* we celebrated last weekend.

The point is that it's unfair to ignore all the results of immigration *except its big shots.*

The point is that in an America without rogues, felons, psychopaths, bigots, swindlers, liars, cheats, brutes, frauds, crooked politicians and corrupt cops, liberty would have collapsed of terminal flabbiness shortly after the first few boatloads of saintly immigrants fell to their knees weeping pure thoughts upon first glimpsing Liberty Enlightening the World.

□

To retain their muscularity, people committed to liberty require constant challenge from people who don't know the difference *between liberty and making a mess.*

It is only fitting then to salute the *mess-makers.* Here's to the wife-beaters, and here's to the car thieves.

Here's to the people who cancel your insurance, here's to the guy who steals your television set, here's to everybody with enough money to buy congressmen, and here's to congressmen who rather wish they didn't have to jump at their buyers' commands and if pressed on the subject say, "But *let's be realistic* —"

Here's to the losers, the failures, the rats, the finks, the louts, the finaglers, the boors, the chiselers. We have immigration to thank for them all. What would America be without them?

New York Times Service

A Late-Blooming Tenor's Triumph

By Andrew Clark

BAYREUTH, West Germany — From submarine technician to porcelain salesman to Wagner hero: It must be a unique sentence of careers. Richard Versalle has no doubt that the last of the three is the most satisfying.

Versalle, 53, did not take up singing professionally until 11 years ago. Five years ago he sang his first heldentenor role. That his vocal cords had a chance to develop naturally during all those years of church choir practice in Muskegon, Michigan, means they can now stand the strain of such roles as Wagner's Tristan and Tannhäuser, and that makes his voice a valuable commodity in the world of opera.

Versalle is preparing for a run *of seven performances in "Tannhäuser"* at the Bayreuth Festival, from July 25 through Aug. 27. Wolfgang Wagner, the composer's grandson, who runs the festival, chose Versalle last year as the second-cast singer for the title role of his new "Tannhäuser" production. Versalle ended up singing every performance after the West German tenor René Kollo fell sick an hour before the dress rehearsal.

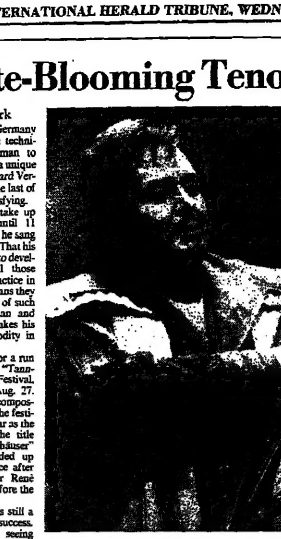
A year later, Versalle is still a little taken aback at his success. "I'm doing things and seeing places I'd never dreamed of. It's amazing how Bayreuth can open up doors you didn't know were in the walls," he said.

"I started late and I want to sing as long as I can, so I'm trying to be cautious. Every week of my diary is starting to fill in where it was free before. That's where I've got to be careful. I've seen others take on so much — it's like they're offered so much money they can't refuse. That's when they start to cancel, because they become just too tired to do it. I want to be able to enjoy what I'm doing."

Backstage, Versalle looks the very opposite of the Wagner hero. He is bald and stout, and exudes an air of bonhomie. In 1975, however, what he was trying to scrape enough money together to make a start as a professional singer, there was not so much to smile about.

"I'd never been to school or college. My only voice teacher was the choir director at church. My voice is simply a gift the good Lord has given me, and I try to use it all the time. I said I'd try going professional for a year."

This meant giving up his job selling porcelain in six Midwestern states. It also meant parting company with his wife, who had earlier persuaded him to give up his career in the U. S. Navy but was not prepared to share the insecurity of the singing profession. Versalle eventually moved to Chicago, where he sang small roles at the Lyric Opera and joined the chorus of a professional ensemble called Music of the Baroque, supplementing his meager income with a series of odd jobs. It was some time after he started auditioning in New York that the breakthrough came. A German agent told him to think of Europe instead of the Metropolitan Opera, and a foundation financed an audition tour.



Wilfredo Rosh

From Muskegon to Bayreuth: Versalle as Tannhäuser.

After singing in Donizetti's "Roberto Devereux" at Oldenburg and being offered a guest contract at Saarbrücken, Versalle sold almost everything he owned in New York and he and his second wife, Alexis, moved to West Germany in 1981. At a performance of "Tristan und Isolde" in Saarbrücken, Wolfgang Wagner heard Versalle and invited him to audition at Bayreuth.

Versalle is still a little in awe of Wolfgang Wagner: "In rehearsals he tells you all the historical things he can to help you, and quotes straight from what his grandfather said about the opera." Versalle said that, while he enjoyed the "holiday-camp atmosphere" of the festival, he was there to work. He arrives at the Festspielhaus two hours before each performance, warms up his voice, reads through his part, has a coffee and reads the Bible.

"I want to try to sing instead of shout these Wagner parts. Birgit Nilsson said that when the music *gets more dramatic, you should* sing more lyrically. In Bayreuth that's not so hard, because the orchestra is covered. It can be just as exciting if you keep the intensity and not shout — there aren't so many fortissimos in Wagner as *you think. It's a great help to be* still singing Italian repertoire: It's oil for the voice because it keeps the legato going. People forget that Wagner also calls for a lot of *legato. So when I'm singing a part* like Tannhäuser, my aim is to think Wagner but sing Verdi, to make those nice Verdi sounds, but with the Wagner text."

Versalle keeps his Italian repertoire intact at the Deutsche Oper am Rhein in Düsseldorf, which he joined two years ago. His new contract there runs to 1990. But he still bankers after some aspects of life in the United States, *where the four children* from his first marriage live. He wants to sing in the places where they said he was too old to start a professional career in opera.

He recalled his lifestyle when singing was still hobby — how he would listen to the broadcast from the Metropolitan Opera on Saturday afternoons while cooking his car, how he treasured his Jussi Björling records and earned $300 for five performances as Rodolfo in "La Boheme" at Grand Rapids in the early 1970s.

None of that experience or hard work was wasted, he said, "and I'm still a baby in the business, trying to learn what I can. I've taken that attitude all along. Backstage in Chicago, people used to ask me why I sat in the wings with my score in hands, watching Jon Vickers singing Tristan when *I was only singing* Melot. I said, 'I'm getting a free voice and acting lesson.' Vickers taught me a lot — he said the least amount of movement you make on stage, the more impressive you are. And now I know the feeling when it clicks and you give yourself to it, and the audience responds. I've never taken drugs, but I don't think they can give you that kind of high."

Andrew Clark is a journalist and music critic based in Switzerland.

Nancy to Wri

Nancy Reagan, who has kept a diary in the White House, has signed a contract with Random House to write her memoirs. Her press secretary, Elaine Crispen, said the book was tentatively scheduled for publication in the autumn of 1989, after President Ronald Reagan leaves office. A spokesman for Random House said the book would range from Mrs. Reagan's youth through the 1988 presidential election. The purchase price was not revealed. Crispen said she believed Mrs. Reagan had kept some kind of record when Reagan was governor of California and earlier, but "probably not quite as complete" as her White House diaries. Someone will help Mrs. Reagan write the book, Crispen said. The Washington Post reported that Mrs. Reagan would receive no money for the book until her husband leaves office in January 1989. The book will be Mrs. Reagan's second. The first, "Nancy," written with Bill Libby, was published by William Morrow during the 1980 presidential campaign.

□

The 29th Spoleto Festival put on a gala evening of dance, music and song to celebrate the 75th birthday of its founder, the composer Gian Carlo Menotti. President Francesco Cossiga of Italy was among the guests saluting Menotti. The Spoleto Festival Orchestra was conducted by Christian Badea, who has been the festival musical director for nine years, and Spiros Argiris of Greece, who will take over next year. Others performers included the Italian singer Katia Ricciarelli, the French pianist Jean-Yves Thibaudet, the Canadian ballet dancers Anik Bissonnette and Louis Robitaille and the Spanish choreographer Antonio Gades. The festival closes July 13 with a performance of Verdi's Requiem.

□

Justice Harry Blackmun of the U. S. Supreme Court is not saying how long he plans to stay on the bench, he's ready to join his fellow Minnesotan Warren Burger in retiring, but he admits that life on the United States's highest court is not always pleasant. "I'm not sure I want to work under these conditions all my life," Blackmun, 77, told the Minneapolis Star and Tribune. "I think at our age one wonders a little bit about senility, loss of properties." Blackmun recalled that, as a circuit judge, he had to tell a couple of lower cour... retire. "And that ... no fun." Despite his ... good humor, Blackmun ... derneath it all, I'm mean and irritable, especially this time of year" as the court, which ended its 1985-86 session Monday, tries to get its work done before summer vacation. Burger, 78, a St. Paul native, announced his retirement as chief justice last month after 17 years on the court.

□

Senator Edward Kennedy is in Ireland for a weeklong private visit. The Massachusetts Democrat, who is of Irish ancestry, said he wo... not rule out the possibility of talks with Irish government ministers, but he was planning primarily to tour western Ireland with his children Kara, 26, and Patrick, 24, and visit friends in Dublin.

□

Former President Jimmy Carter took sweltering temperatures and high humidity in stride as he and wife, Rosalynn, began a week of construction work on housing for the poor in Chicago. "I think it's a week of inspiration, dedication, enjoyment and accomplishment," Carter said at a gathering of about 200 people before work began on the Habitat for Humanity project. The Carters are helping build a four-unit complex and renovate three-unit building.

□

The former astronaut James Irwin is planning another trip up Mount Ararat in Turkey to search for Noah's Ark no matter what his doctor says. He suffered a heart attack June 6 while jogging in Colorado Springs, his third since 1973, and his doctor told him not to climb above 10,000 feet when he heads to Turkey with an eight-member climbing team next week. "Maybe I can talk my doctor into letting me go higher if I have portable oxygen equipment," Irwin said.

□

Prince Edward of Britain will fly to New Zealand on Thursday for a 10-day visit to promote the Duke of Edinburgh's Award 30th Anniversary Tribute Project, set up to increase public awareness of his father's award program for for service, expeditions, skills and physical recreation.

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